

Oct. 28 / Administration of William J. Clinton, 1993

To do all that, I need to just remember the kind of people I met at the Queens Democratic meeting the first time I came up there. I want you to know I'll never forget you, and I'm grateful to you. I want you to stay behind your Members of Congress so they can stay behind me, and help elect the Mayor on Tuesday.

Thank you very much.

NOTE. The President spoke at 6:47 p.m. from Electric Industries Hall. In his remarks, he referred to Representative Thomas J. Manton.

Remarks at the Wall Street Journal Conference on the Americas in New York City October 28, 1993

Thank you very much, Peter. And thank you for that wonderfully understated observation that your editorial positions don't always agree with mine. *[Laughter]*

I am delighted to be here tonight on a matter on which we both agree. I thank you for sponsoring this meeting, and I was glad to see you and my longtime acquaintance Al Hunt, who invited me. I would say "friend," but it would destroy his reputation in the circle in which we find ourselves. *[Laughter]* He invited me here only because he had been replaced by Alan Murray, and therefore he knew he could not guarantee me one line of good press for accepting this invitation. *[Laughter]* I thank you, I thank William Rhodes and Karen Elliott House and all the others who are responsible for this event.

Ladies and gentlemen, I will get right to the point. When we concluded the side agreements with Mexico and Canada in the NAFTA negotiations and actually had a proposal to take to the Congress, I really believed that the cause was so self-evidently in the interests of the United States that after a little bit of smoke and stirring around, that the votes would rather quickly line up in behalf of what was plainly in our short and long term national interests. It is no secret that that has not happened.

Since I have always prided myself on being a fairly good reader of the political tea leaves, I have pondered quite a bit about why we are engaged in a great struggle that I think is very much worth making and that I still believe we will win. But why has it been so hard? And what can all of us who believe that NAFTA ought to prevail and in a larger sense believe we need to succeed in getting a new GATT round by the end of the year and in promoting

a continually more open world trading system, what is it that all of us can do to try to give new energy, new drive to this vision that we all share for the post-cold-war world?

Anyway, let's begin by why it turned out to be so hard. I think it is far more complicated than just saying that the labor movement in America and the Ross Perot-organized group had a lot of time to bash NAFTA without regard to what would ultimately be in the final agreement.

It is far more complicated than that. And it is at root a reflection of the deep ambivalence the American people now feel as they look toward the future. So that in a profound way, at this moment in time, NAFTA has become sort of the catch-all for the accumulated resentments of the past, the anxieties about the future, and the frustrations of the present. Irrelevant are the specific provisions of the agreement, which plainly make better all the specific complaints many of the people opposing NAFTA have about our relationship with Mexico.

I mean, plainly if you just read the agreement, it will cause the cost of labor and the cost of environmental compliance to go up more rapidly in Mexico. Plainly, if you just read the agreement, it reduces the requirements of domestic content for production and sale in Mexico in ways that will enable Americans to export more. Plainly, the main benefit to the Mexican people is opening the entire country in a more secure way to American investment, not for production back to the American market but to build the Mexican market, to build jobs and incomes and an infrastructure of a working market economy for more of the 90 million people who are our largest close neighbors.

So this opposition is in spite of the plain terms of the agreement. It is also in spite of the fact that plainly NAFTA could lead the way to a new partnership with Chile, with Argentina, with Colombia, with Venezuela, with a whole range of countries in Latin America who have embraced democracy and market economics. And I say this to my friends who are not from Latin America but are from other nations here tonight: We see this not as an exclusive agreement but as part of the building block of a framework of continually expanding global trade.

So this is not about the letters, the words, the phrases, the terms, or the practical impact of this agreement. That is not what is bedeviling those of us who are trying so hard to pass this agreement. This agreement has become the symbol, as I said, for the emotional frustration, anxieties, and disappointments of the American people, feelings that are shared, as we now see from the results of the recent Canadian elections and other wealthy countries, the results of the recent elections in France, manifest in the low growth rates in Europe and the low growth rates in Japan and the recent elections there.

What we are seeing is a period of global stagnation which comes at the end of several years in which global growth did not necessarily mean more jobs or higher incomes in wealthy countries. We are living in a time of great hope where there's more democracy, more adherence to market economics, when the wonders of technology are providing new areas of economic endeavor and millions of new successes every year in all continents, but where still there is so much frustration for those who cannot figure out how to make these changes friendly to them. So that in America, for example, having nothing whatever to do with NAFTA or our trade with Mexico, we are now at the end of a 20-year period when hourly wage workers have seen their incomes remain basically stagnant while their work week has lengthened; when income plus fringe benefits have gone up modestly, but mostly that's been inflation and wage costs; when for the last several years, we have seen more and more working people subject to the restructuring of industries, which means that for the first time since World War II, people who lose their jobs in America now normally don't get the same job back. They get a different job, after a longer period of time, usually with a smaller company, usually paying a lower wage with a weaker package of fringe benefits.

Now, to be sure, though, a lot of good things are happening. Manufacturing productivity in this country is growing very rapidly and has been for several years. We are recapturing part of our own automobile market, for example, this year. It's quite astonishing to see what's happened to the American manufacturers' share of the American car market. That's just one example. American productivity in the service sector is beginning to come back. And if you give me a couple of years to work with the Vice President on this reinventing Government, we'll give you more productivity in the Government sector, too, which will have a private sector impact.

But the plain fact is there are an awful lot of people in this country who feel that they are working harder, caught on a treadmill, not moving up, who feel quite insecure and uncertain.

If you look at what has happened, basically, we live in a world where money management and almost all but not all technology is mobile; where productivity and prosperity are largely a function of the skills of the work force, the level of appropriate investment and infrastructure, and in the private sector, the organization of work and the system for maintaining ever new and different skills, and the systems that support work and family, the systems that support expanding exports, and the systems that support dealing with sweeping economic change. To whatever extent any nation with a high per capita income lacks those factors, people will suffer. And there will always be some dislocation simply because of the rapid pace of change.

What happened today in America is we have a whole lot of people who have dealt with this not very well, who feel that they have worked hard and played by the rules, and who now are the seed bed of resentment welling up against NAFTA, not because of anything that's in NAFTA but because it's the flypaper that's catching all the emotion that is a part of the runoff of the last 10 or 12 years, in many cases 15 years, of experience with the global economy where the United States has not made all the investments we should have made, has not made all the changes we should have made, has not made the adjustments we should have made.

Therefore, what I have tried to do, and what I tried to do in my speech to the AFL-CIO in San Francisco recently, was to argue that we needed in America to face the future with confidence, to believe that we can compete and

win, not to run away and not to pretend that these global changes had not occurred, but also to argue that we ought to have a certain base level of security in this country so we could deal with the future.

That's why I supported the family leave law, because most people who are parents also work. So we shouldn't make it impossible in America for a person to be a good parent and a good worker. I believe it adds to worker productivity even though it's a little extra cost for employers.

That's why I think we have to become the last advanced nation to provide health security to all working people, because people are going to lose their jobs in this economy. It's a dynamic economy; one that creates jobs in as many different ways as ours does will also have people losing jobs all the time. And if we want that dynamism to be there, there has to be a bedrock of security underneath it. People cannot feel, when they go home tonight to face their families, their children over the dinner table, that if they have lost their jobs, they have put their children's health in danger. So we need to build that underneath.

That's why, next year, we're going to propose radically changing the unemployment system in this country to a reemployment system where, instead of just getting benefits until they run out, you immediately begin a job search, an analysis of the jobs in the given area, the areas of job growth, and a retraining program immediately, because most people will not get their old job back. And that's what the unemployment system is premised on. It is taking taxes from employers and dragging down the economy under a false premise because it's no longer relevant to the world we live in.

What has all that got to do with NAFTA? If we had all this in place, we'd have a more secure work force, and it would be easier to argue to them we must face the future with confidence. In that connection I would like to ask those of you here who are Americans who are employers here to do one or two things tonight. Number one, I ask that you tell your own employees and publicly commit that you will support a rich, full, and adequate job retraining program for the people who will be displaced because of this agreement. This is a job winner for America. We're going to get more jobs than we lose, but some will lose.

One of the more sophisticated opponents of this agreement said to me the other day, "I

know you will create more jobs than you'll lose. But the people who get new jobs won't feel as much joy as the people who lose them will feel pain." Interesting argument. If you were on the losing end, you might agree. What do we owe those people? A far better training and retraining program than we have, a far more aggressive reemployment program than we have. You should support that so that the people who are at risk will feel that we are moving forward into the future together. It is very important.

The second thing that I ask of all of you is this, that you ask your employees who support this to contact their Members of Congress. I've had as many Republican as Democratic Members of Congress that I am lobbying say to me, "I want to hear from the people who work for the employers, not just the employers. I want to hear from people who know that their jobs will be made more secure, not less secure, if NAFTA passes." That is very important.

We have all these wavering Members of Congress now, many of them moderate Republicans and moderate to conservative Democrats, who come from districts where they have both labor union members asking them to vote against this and people who are part of the old Perot organization asking them to vote against it, and they just want some other real voters to ask them to vote for it. They just want to know there's somebody in their district who understands that this is good for America.

The last thing that I ask you to do is to lift this debate up in the last 3 weeks. I'm going to travel this country, intensify my contacts with the Congress, and try to get as many other people enlisted in this battle as possible. But we have to realize that the people of America can view this through their personal spectrum, but the Members of Congress must be statesmen and stateswomen. They have to realize what is at stake for America in this. We have to decide whether we are going to face the future with confidence and with a belief that we can compete and win, and with genuine respect for the heroic changes undertaken by our neighbors in Mexico to the south and other heroic changes being undertaken by neighbors to the south of them, and engage them in friendship and partnership, or whether we're going to turn away from all that and pretend that we can really do well in a world that we no longer try to lead.

You know, the psychological aspect of this

whole debate is absolutely fascinating to me. The element of isolationism that I see coming into some of our foreign policy debates is equally present in the NAFTA debate: "I've got to worry about myself, and I don't have time to worry about anybody else." The problem is, in the world we're living in, worrying about yourself is worrying about somebody else. We're too connected. We don't have that option. And if you think about this in more personal terms, every time an individual, a family, a State, or a nation faces a crisis brought on by change, you have only two options. You can sort of bat-ten down the hatches, hunker down, and hope it will go away, and that works about one time in 100; or you can take a deep breath, take your licks, figure out what's happening, and embrace the future with zest. That's what America has done. That's why we're still around.

This is a real test of our character as a country, whether we believe that we can compete and win, whether we believe that partnership is good global economics and good American economics, and whether we really understand that we have to make our people see the rest of the world as an opportunity, not a threat.

So I ask all of you to think about that. To our friends here who have operations in both the United States and Mexico or other parts of Latin America, I ask you to explain to Members of Congress that nothing in this agreement makes it more attractive to invest in Mexico to sell in the American market. But this agreement does make it more attractive for Americans to invest in Mexico to help build Mexico. No longer will the *maquilladora* line be some magic line in the sand. Now you can invest in Mexico City and help to build a strong market of millions of consumers who can be even better partners with the United States. I promise you, a lot of people who will vote on this agreement and carry its fate still do not understand that elemental principle.

You need to say if you have experience in both countries that if you don't pass this agreement, everything that you don't like about the present situation will get worse. And if you do pass it, everything you like will get better.

These sound like simple things, but I tell you, I've been to so many of these meetings where all of us stand up who agree with one another, and it's like we're all preaching to the saved, as we say at home. Well, there's lots of folks out there who aren't saved yet, but they are

willing to listen. And the Members of the United States Congress need to understand what the consequences of passing this are and what the consequences of not passing this are, not only in Mexico but throughout Latin America.

The changes in Mexico, political and economic, in the last several years, have been truly astonishing, of historic proportions. To continue that, they need a partner, and it ought to be us. And in the long run, even though I know some of our friends in Asia don't like this agreement now, it is in the best interest of the Asians; it is in the best interest of our friends in Europe; it is in the best interest of the world trading system for Latin America and the United States of America and Canada to grow more, to increase their wealth, diversify their activities, so that we can embrace our full share of responsibility for a new fully integrated global trading system.

I think, whether we like it or not, that NAFTA has acquired a symbolic significance, perhaps out of proportion to its narrow economic impact, not only for all those who are "agin" it but for all of us who are for it, too. We have to face the fact that it is, in our time, the debate which enables us to make a statement about what kind of country we are and what kind of partners we are going to be and what kind of future we are going to make.

And I tell you, I believe we will win in the end because I have seen Congress time and again go to the brink with the easy choice and make the hard one because they knew it was the right thing to do for America. But they need help. The two things you can most do to give that help is to say, "I am an employer. I am a taxpayer. I know that people who are disturbed by this, who are dislocated by this agreement should have access to the finest training program this country has ever provided. And I will support that. I will insist that the President and the Congress take care of the people who lose out."

And the second thing you can do is, for goodness sakes, to tell people how it works. We cannot let the legitimate grievances, the honest fears, the well-founded anxieties of people who are not doing very well in this economy stop them from doing better tomorrow. We cannot let the American people act in ways that are against their self-interest.

As I said when I was in San Francisco talking to the AFL-CIO, the truth is that this agree-

ment will create more jobs for labor union members in the United States. We have to assert those facts, and we can prevail if we do.

Now, we have, as you know, about 2½ weeks, a little more, before the scheduled vote. That is an eternity. The Congress wants to do the right thing. I am convinced, about a week or 10 days ago we passed what I always think of as the first threshold in a big struggle in the Congress: I believe we won the secret ballot battle. That is, I think if there were no recorded votes we could ratify NAFTA tomorrow. And that is a very good sign. It is also not ignoble for people to listen to their constituents.

What we have to do now is move from winning the secret ballot battle to winning the recorded battle. We can do it. We can do it. But I ask you to remember that all those people that are hanging fire, all the undecided voters in the Congress, are carrying with them the accumulated fears, resentments, and anxieties of a lot of Americans who did the very best they could and it still didn't work out for them.

And I ask you to at least go far enough with those folks to say, "If anything happens to you, we're going to give you a chance to learn a new skill. We're going to give you a chance to change." As I tell people anyway, the average 18-year-old is going to change jobs eight times

in a lifetime anyway. We might as well get used to it. The average 60-year-old worker in America is going to have to get used to learning a new skill. They might as well learn to enjoy it. It will make life a lot more interesting.

NAFTA can be the beginning of our decision to be a secure nation in a global economy; to lead, not follow; to reach out, not hunker down. We owe it not just to our friends in Mexico and Canada and Latin America, not just to the rest of the world, we owe it to the tradition of America. And I believe we will do it. But it's going to take all hands on deck. And I came here tonight to ask for your help, as much as you can do in every way that you can, for the next 3 weeks.

Thank you very much.

NOTE: The President spoke at 8:23 p.m. in the Empire Room at the Waldorf Astoria Hotel. In his remarks, he referred to Peter R. Kann, chairman and chief executive officer, Dow Jones and Co., Inc., and publisher, the Wall Street Journal; Albert R. Hunt, executive Washington editor, and Alan Murray, Washington bureau chief, the Wall Street Journal; William R. Rhodes, vice chairman, CITIBANK; and Karen Elliott House, vice president international, Dow Jones and Co., Inc.

Statement on Signing the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994

October 28, 1993

Today I have signed into law H.R. 2491, the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994."

The Act provides funding for the Departments of Veterans Affairs (VA) and Housing and Urban Development and independent agencies including the Environmental Protection Agency, National Aeronautics and Space Administration, and National Science Foundation. This Act will fund important activities in the space program, housing programs, environmental protection, and programs for our Nation's veterans.

I am pleased that the Act provides the funding for a number of my high-priority investment

proposals, including the National Service Initiative. The National Service Initiative will provide an opportunity for young people to obtain funding for a college education while serving the country in areas of great need such as education, environment, public safety, and human services.

The Act also provides funding for the redesigned Space Station and New Technology Investments. These programs will set a new direction for the Nation in space exploration, science, and technology.

The Act includes \$6.7 billion in funding for the Environmental Protection Agency (EPA). The Act provides funds for EPA programs that protect our environment through enforcement