

Week Ending Friday, November 19, 1993

Media Roundtable Interview on NAFTA

November 12, 1993

The President. We're having a good couple of days. Yesterday we had 10 or 11 Members endorse NAFTA.

Q. Could you speak up a little bit, sir?

The President. Yesterday we had 10 or 11 people endorse the treaty, both Republicans and Democrats, including three Members from Ohio, a Rust Belt State where we hadn't had any endorsements before; two from Michigan. Today we have five or six—we have six confirmed, and we have five who've already announced their endorsement today for NAFTA, all Democrats, all six of them. So we're making some progress.

Perhaps the most remarkable thing that has happened today is something I just saw. The president of the Massachusetts Building Trades Council endorsed NAFTA with this letter. It's a real profile in courage. He said—this quote—he said, "No longer can nations afford to build invisible walls at their borders because there are no national borders to free trade." And he basically said at the end of his letter that "President Clinton is trying to improve on the status quo. His opponents, perhaps without knowing it, are defending the status quo." Leo Purcell, a pretty brave guy. I hope he's still got his job tomorrow.

Q. Can we get a copy of that letter?

The President. Oh, sure.

Q. I have one question that sort of follows up on what you just said. In Springfield, Zenith moved its television manufacturing plant to Mexico a couple of years ago. How do you address blue-collar concerns from people who have seen that happen and they hear Perot and they just naturally fear that the same thing's going to happen?

The President. Well, first of all, let me make this statement at the outset. One of the things that our administration has never denied is the fears of middle class Americans

about the loss of their jobs or the loss of their incomes. About 60 percent of our work force has suffered from stagnant wages or worse for almost two decades. So my answer to them is not that their fears are unfounded—they have legitimate fears and experience to base that on—but that this agreement will improve their conditions, not make it worse. And let me explain why.

I think this is at the nub of at least the negative side of the argument. First, let me say by way of background that I was the Governor of a State for 12 years that had plants close and move to Mexico. And I worked very, very hard to try to restructure my State's economy, to maintain a manufacturing base, and to rebuild from the hard, hard years we had in the early eighties. And my State did not have an unemployment rate below the national average in any year I was Governor until last year, when we ranked first or second in the country in job growth. But it was a long, painful process of rebuilding. I know a lot about this. We lost jobs to Mexico.

Now, the point I want to make about this is, number one, Mexico had a very small role in the decline of manufacturing jobs in America in the last 15 years. They declined because of foreign competition from rich countries as well as poor countries. If you look at just the manufacturing trade advantage, you will find that obviously the biggest trade deficit we have is with Japan, a rich country.

Number two, a lot of this happened in every advanced country because of productivity increases that came because of mechanization. Just the improvements in technology meant that we could produce more things with fewer people. That's what rise in productivity means. So manufacturing has been going through something of the same thing that agriculture went through. When I was born, in my home State, an enormous percentage of our people worked on the

farm. Now it's down to probably 4 percent, even though Arkansas is a big farm State. So a lot of these things are big long-term developments.

Number three, the device which made Mexico particularly attractive for plant was the so-called *maquilladora* system, which basically identifies an area along the Mexican-American border in which plants can locate and produce for the American market and send it back in here without paying tariffs, taking advantage of the low wages in Mexico and the other lower costs of production.

Now, if you look at that and you look at what NAFTA does, it's easy to see how NAFTA will make it less likely, not impossible—I'm not saying none of this will ever happen—but it will be less likely than it is now that we'll have significant movement of manufacturing facilities to Mexico for low wages. Why is that? For one thing, NAFTA will give bigger markets to American manufacturers here at home by lowering the tariff barriers and by doing something else which is quite important: It reduces the domestic content requirements that Mexico imposes on American manufacturers, which means that—domestic content basically says you've got to make this stuff here if you want to sell it here. So that the auto industry, for example, estimates that they'll go from selling 1,000 to 50,000, 60,000 cars, made in America, in Mexico in one year. So we'll have more access to the market.

Secondly, what Mexico gets out of this is not more plants to produce for the American market. If NAFTA passes, under the terms of the side agreement our administration negotiated, there is no question that environmental costs will go up in Mexico because of the environmental side agreement. There is no question that labor costs will go up more rapidly in Mexico because Mexico is the first country ever to put its labor code, which it admits has regularly been violated, and now they put their labor code into this trade agreement. So that if they violate their labor code, we can bring a trade action against them.

And furthermore, President Salinas has said that he will raise the minimum wage on an annual basis as the economy of the country grows. So if NAFTA passes, wage rates

will go up more rapidly, costs of production from environmental protection will go up more rapidly, trade barriers to American products will go down more, the requirements to produce in Mexico if you want to sell in Mexico will go down more. Therefore, the conditions which people are worried about, which are legitimate conditions, will be improved if NAFTA passes, not aggravated.

Now, that's a long answer, but that's the nub of the negative argument against this. And I think it's important to get it out.

Q. Mr. President, that's an economic argument, and a good one. Congressman Sawyer from northeast Ohio makes that same argument but says he hasn't been able to overcome the emotional objections to it, and the perception that it won't do the things you said it would do seem impossible to overcome. Why should a Member who can't overcome this perception in his district be willing to vote for it, and what can you do to help such a Member overcome any political backlash to him or her if this happens?

The President. Well, first, let me say I have enormous respect for him, for Sawyer. If you look at the way that other votes have lined up in Ohio and if you look at his district, I think the fact that he's been willing to have a very honest and open and candid conversation with all of the people of his district about this is very much to his credit. But he lives in a place that has lost a lot of high-wage, high-dollar manufacturing jobs.

My response is the debate between Vice President Gore and Ross Perot. That is, the most important lesson that any Congressman should take out of that debate is not that Al Gore defeated Ross Perot on a night in October—or November. The most important lesson is that if you believe it's the right thing to do, and you make the arguments to your people, you can do that. In other words, if Congressman Sawyer's representatives believe that he is doing this because he thinks it will get them more jobs and make America stronger economically, then the evidence of the public reaction to the Gore-Perot debate is that you can do that and survive, that people will support you, that they will stay with you. And that's what I believe. In other words, I told a group of business executives

who were in here the other day lobbying for this, I said, you need to go out and tell people you're doing this for middle class America. I said, you look around this room. Every one of us is going to be all right whether NAFTA passes or not, whether GATT passes or not. We'll figure out some way to do okay in the system. But the country as a whole will not grow as much. No rich country can grow richer, can increase incomes, can increase jobs unless you expand the base to which you sell. That's the whole theory of trade. It built a massive middle class in America after the Second World War. It rebuilt Europe and Japan, and now it can revitalize Latin America.

I also think it's important, by the way, for the Tom Sawyers of the world, let me say this, and for all the others, that we not overstate, just as I think the opponents of NAFTA have grossly overstated the negative effects. I mean Mexico, after all, is less than 5 percent of—[inaudible]. The idea that we're trying to convince people that they sort of snookered the United States in a trade negotiation, and we're going to collapse the American economy, it really shows you how anxiety-ridden a lot of Americans are, that many people believe that.

On the other hand, it's important not to overestimate the number of jobs that can be created. That is, Mexico has gone from a \$5.7 billion trade deficit 5 years ago to a \$5.4 billion trade surplus last year. Most of the smart money in Mexico is that the trade deficit for them will get bigger. That is, we'll sell more near-term because they'll get more investment to develop their own economy in the long term.

But the real job generator for us in NAFTA is going to be not only for the specific industries that will sell more in Mexico, but that will open Chile, Argentina, all of Latin America. And we will then be able to say—when I go out there the day after the House votes, if I win, it will be a lot easier for me to look the Japanese, the Chinese, the heads of the other 13 Asian countries in the eye and say, "We want to grow with you. Asia's growing very rapidly. We want to buy your products, but you have to buy ours. And we need to adopt a new world trade agree-

ment." So that's what I would say to Tom Sawyer.

Q. Along that same line, could you analyze for us what is at stake for you and for the country in this and how it feels having this fate in the hands of your opposition party, particularly Newt Gingrich, who is a man who has been your opponent in most cases and is asking you for something very specific now, some kind of written protection for Republicans? Are you willing to give that? I know that's three questions.

The President. Let me start at the back and come forward. [Inaudible] First of all, I volunteered even before Newt asked, but I agree with him, that if a Republican votes for NAFTA and is opposed in the congressional races next year by a Democrat who attacks the Republican for voting for NAFTA, then I will say, for whatever it is worth, in any given district that I think that the attack is unfair, that the vote was not a partisan vote, and that it was in the national interest. And I do not believe any Member of Congress should be defeated for voting for NAFTA. That's all they've asked me for. In other words, they haven't asked me to prefer Republicans over Democrats. But they want me to say—

Q. In writing.

The President. Well, I'll give it to them in writing. I'll give it to them in public statements. I do not believe any Member of Congress should be defeated for doing what is plainly in the national interest.

Now, what was your other question?

Q. How does it feel having Republicans—

The President. Well, I don't mind it. I wish we had more bipartisan efforts for change. If you look at the fact that 41 Governors at least have come out for this and only 2 have come out explicitly against it, I think we ought to have more common economic efforts.

I thought the Republicans made a mistake. They may have hurt me politically by simply refusing to work with us on the economic program. But I think over the long run, we're going to come out ahead because it's produced deficit reduction, low interest rates, low inflation, and more jobs in 10 months than were created in the previous 4 years.

So I think they made a mistake. The national security issues of the nineties by and large, are going to be economic issues, by and large. And to whatever extent we can pursue the national security in a bipartisan fashion, we're better off doing so.

Also, a lot of the divisions that have ripped the Congress today do not break down into any traditional liberal or conservative terms, or Republican and Democratic terms. They're more like who's pro-change and who's against it, who's willing to go beyond the status quo in the debate and who's not. And it's amazing how it shifts from issue to issue, not only among Republicans and Democrats but among people who would otherwise define themselves as liberals and conservatives. So I'm not concerned about that. I think Newt Gingrich is doing the best he can with Mr. Michel to produce the votes that they think they can produce. And he sure knows I'm doing the best I can to produce the votes I can produce.

The first question is, what's at stake. What's at stake, in my judgment, is something more than the sheer terms of this economic debate. I think, first, what's at stake is the strategy and the attitude and the conviction America will take in moving toward the 21st century economically. Are we going to try to do it by reaching out to the rest of the world, by saying we can compete and win, by building on the enormous productivity gains in the private sector of the United States over the last several years to do what is the time-tested way for a wealthy country to grow, to create jobs and incomes, and promote peace, that is, by reaching out, involving—[inaudible]—in trade. Or are we going to say we just don't think we can compete and win anymore with anybody until they pay their workers as much as we pay ours and until everything else is equal on every last scale. So even though here's a country that we've got a trade surplus with, that's buying more from us than we're buying from them, we're just not going to do it, I think, because we're just hurting too bad. Now, the hurts are legitimate. But you cannot do that. So I think that this will define our country's attitude for some time.

Secondly, I think the second thing that's at stake is we may lose the chance to have

a stable, good, strong, growing economic relationship with our neighbor in the south and lose the chance to build that sort of partnership with all of Latin America. I hope it is not so if we don't—[inaudible]—but it could happen.

The third thing is it could cost us getting a new world trade agreement in the GATT round by the end of the year, because the French, for example, will be able to say, "Well, you say we shouldn't be protectionist, you say we shouldn't protect our agriculture, you want us to get into a world trade agreement that will bring America hundreds of thousands of jobs, and yet you walked away from a no-brainer on your southern border." So I think that America's abilities to forge a globally competitive but cooperative world in the 21st century in which we can compete and win, whether it is with Asia or with Europe or with Latin America, I think will be significantly undermined if we defeat this. It is far bigger than just the terms of this agreement.

First, this agreement took on abnormal symbolic significance for those who were against it. They poured into the agreement all the accumulated resentments of the 1980's. Tom Sawyer's right about that; they did. I mean, a lot of the people who are against this, it's very moving to listen to them, to watch them. They almost shake when they talk about it. And it's real and honest the way they feel. But then, because of that, and because it became clear that the Congress might actually not adopt it, which is unheard of for the Congress to walk away from a trade agreement, it then took on a much greater symbolic significance for those of us who are for it. So it is about jobs and growth and opportunity for Americans by its own terms. And it is much better than letting the status quo go on. But it has bigger stakes as well.

Q. Congressman Tom Andrews, a Democrat from Maine, has criticized the way in which labor groups and your administration has gone about trying to win over his support. And I quote from Andrews: "I've been asked in so many ways, 'What do you need? What will it take?' We do a great disservice to this country when we make this a matter of pork-barrel auctioneering or we make it an issue

of what threats we will respond to." What's your response to Andrews' concern?

The President. I agree with him. I think, first of all, a lot of the people who are fighting this are good friends of mine. I've been close to and worked with the labor movement, and I believe in a much higher level of partnerships between management and labor and Government, and I am not trying to create a low-wage economy. But I think it is wrong for people who are on the other side of this issue to tell Members of Congress who have voted with labor for years that they're never going to give them a contribution and they're never going to support them again, or get them an opponent even—some of them, they've said, well, they'd get opponents in primaries.

I agree with him that neither should we get into a bartering situation. I have to tell you that Members of Congress with whom I have talked—I can only speak for the ones with whom I have talked—the ones who have talked to me about things they wanted me to do if they voted for this were within the realm of what I would call legitimate concerns for their constituents. Let me just give you, if I might, one, the thing that I was most active in that I'm very proud of, because I believe in it anyway, and that was the desire of Congressman Esteban Torres from California and a number of the other Hispanics and Members of Congress who live along the border to develop this North American development bank as a way of financing infrastructure improvements to clean the environment up on both sides of the Rio Grande River. That creates jobs. It's in the public policy interest. It ameliorates the harsh impacts of the past.

When Lucille Roybal-Allard came out for this, who comes from one of the lowest, poorest districts in America, has workers that may be adversely affected by this, she wanted to know that in January we were really going to have the kind of comprehensive job retraining program dovetailed into the unemployment system that we should have had 15 years ago. She didn't ask me for a highway or a bridge or anything. She wanted me to try to take care of her folks. So that, I think, is legitimate.

Now, when other people come up to you, though, and say, "Look, I've been threatened, I may lose my seat, and will you help me do thus and so," if we can do it and there's nothing wrong with it, then we're trying to do it because we're trying to win. I think it's very much in America's interest. But I believe Tom Andrews is right. This issue should be resolved insofar as possible based on what's in the national interest.

Q. Mr. President, this morning when we put a notice in the paper asking people to call in with questions for you, here's one from Charlotte. He says, "I'd like to know, if the President's opinion is that NAFTA is so good for the United States, why is there so much opposition against it by people in the country?"

The President. Everyone knows that Mexico is a country that has a lower per capita income than the United States. And everyone knows that American business interests have moved plants to Mexico to produce for the American market. That's very different from investing in Mexico to hire Mexicans to produce for the Mexican market. That's a good thing. We should support that because the more Mexicans who have good jobs, the more they can buy American products. That symbolizes, those plants along the Rio Grande River symbolize the loss of America's industrial base to many people and the fact that literally millions of Americans, over half of American wage earners have worked harder for the same or lower wages for more than a decade. So NAFTA, the reason that so many people are against it is it's the symbol for so many people of their accumulated resentments of the last 10 to 15 years. Now, that's why there are so many people against it. And then there are a lot of people who say, "Well, I don't like this, that, or the other thing." There's no such thing as a perfect agreement that satisfies 100 percent of everybody's concerns.

But again, I would say, what I've found and what I thought Al Gore did so well in his television appearance—you have to be able to say to people, "Look, you can't vote on your emotions alone. You also have to vote on your head; you have to think through this. Look at what this agreement does. This

makes the problems of the last 12 to 15 years better, not worse.”

But I understand those fears. I mean, I have never questioned the integrity of anybody’s anxiety. I got elected President because most people were working harder for less. That’s the only reason I won the election and because people thought the society was coming apart and because there was no clear sense of where we were going. And when I ran for President, I said I like NAFTA, but I want to try to have a side agreement on the environment, side agreement on labor standards, and protection. This is another issue I want to emphasize: protection for unforeseen consequences. And there are two protections in there that I want to mention.

One is that we can, either of us, anybody can get out in 6 months notice. So if it turns out we’re wrong, we can walk away from it. And if I thought it were hurting America, I would do so. It would be my duty to do so, and I would do so. The second thing deals with the more likely problem, which is suppose this turns out to be basically a good thing for us and basically a good thing for them, but there’s some totally unforeseen consequence in one sector of the economy. We wouldn’t want to withdraw, because it’s basically a good thing. There is also a provision in here, the so-called surge provision, which allows us to identify some sector that’s being decimated—it gives the Mexicans the same right, as it should—that no one ever thought about and to put the brakes on this agreement for 3 years while we try to work it out as it applies to that specific sector. So those are two protections that I would say to your friend in Charlotte.

Q. Mr. President, Congressman David Mann from Cincinnati, he voted against you on your budget and tax package, and now he’s come out on your side on this one. Part one, do you forgive him now for the budget vote, now that he is supporting you on this? Part two, is there anything you’ve agreed to do for Mann to help him? And thirdly, he, like a lot of these other Congressmen we’ve been talking about, is going to have to run in a very heavy labor district next spring and face another potentially very tough primary. What would you suggest to him in terms of

campaigning over this issue, and how should he defend himself on it?

The President. First of all, the only thing that David Mann asked me to do was to be supportive of the decision that he has made. And I told him that I would, I’d be very happy to help him deal with it. Remember, I went to the AFL–CIO convention in San Francisco to defend my position. I don’t want to run away from labor. I want the working people of this country to stay with the Democratic Party. I want the small business people to come back to the Democratic Party. I believe this is in their interest. So I will certainly stand with him, foursquare.

In terms of the other thing, there’s nothing for me to forgive. I think that the Members who voted for the economic program, including Tom Sawyer, have been proved right. And I think next April when people get their tax bills and you see somewhere between 15 and 18 million working families get a tax cut because they’re working for modest wages with children, and see less than 2 percent of the American people get a tax increase, I think that April 15th is our friend. And all the rhetoric that people heard about, it will go away, will vanish, and people will see that we did ask wealthy Americans to pay more of the load, and we did reduce the deficit, and we did bring interest rates and inflation down, and we did begin the process of creating jobs. So I think that time is on my side.

Q. But Mann voted——

The President. I know he did, but let me go back to what I said before. There are also a lot of people working against NAFTA who voted for me last time. What I have got to do is to try to develop a majority for change in the Congress.

It’s funny, I think the American people—I see the Wall Street Journal said the other day that 70 percent of the people thought there was just as much gridlock now as there had been, and that’s plainly not true. It’s not true. What they’re doing is, we’re making hard decisions by narrow margins. That’s very different than not taking up hard questions because there’s gridlock. So when people read about all this contentiousness, they shouldn’t be deterred by that. These are tough issues. If they were easy issues, they’d have been handled years ago. But making

hard decisions by narrow margins is breaking gridlock. I've just got to keep working with David Mann on one hand or my friend David Bonior on the other hand and with the Republicans who are going to vote with us on this. We've got to create a majority for responsible change. That's what we've got to do.

Q. Mr. President, did you discuss this letter with Joe Moakley, and has it had any effect on his position?

The President. No, I just got it right before I came in here. I went with Joe to the Gillette factory, you know, when I was there for the dedication of the Kennedy Museum. And I know this is a tough vote for him in a large measure because Joe Moakley is a very loyal guy, and the guys that have been with him all these years are against this. I hope this will affect him. When Gerry Studds came out for NAFTA, I had the feeling that we might be on the verge of making some real breakthrough in Massachusetts, and we're working hard on it. Joe Kennedy came out earlier, as you know. So I'm hoping that we'll get some more in Massachusetts. It can make a big difference for us.

Q. One other followup, if I may, on a slightly more general question. Are you concerned that the issue has become one of race baiting and ethnic division with the language of what the—

The President. I think it is for some people, but not for others. I don't want to inject it into this. I thought what Mr. Perot said was very unfortunate. I'm sure you saw perhaps in the New York Times or the Washington Post yesterday, one of the papers carried a story about intense negative reaction in Mexico over his rhetoric. But much as I want to win this fight, I don't want to be unfair to my opponents. I don't think that that is nearly as big a factor as the sheer fear of middle class people that the system is out of control, that the middle class is going to work hard and get the shaft, that business executives cannot be trusted to put their workers or their interests high on their list of priorities, that the Government cannot be trusted to protect the interests of average working people, and that the system is working against them and even if they can't stop it, they ought to just try to put their thumb

in the dike one more time. I think that is a much bigger deal.

Now, let me say this, I think a lot of people are less sensitive than they should be to how many people there are in Mexico who are sophisticated, well-educated, productive people of good will who want to build a kind of democratic partnership with our country and want to build a big middle class in their country. That is, I don't think, in other words, there's racism involved so much as I think that many of the opponents of NAFTA have dismissed the real talent and energy and capacity of the Mexican people to be good partners with us. That's not racism, it's because their own fears have overtaken them.

Q. Mr. President, in New Jersey, every House Democrat except Bob Torricelli has come out against this. Why do you think it's such a tough sell in New Jersey, and do you think you can get Mr. Torricelli's vote?

The President. I hope we can get his vote because he's been a real leader on issues in this hemisphere. I think to be fair to all concerned, Bob Torricelli has more personal experience and knowledge of this. And the voters in his district would be more likely to understand it because he does know so much about it, because he's been a leader on all these issues in the Caribbean and in Latin America. He has lived these issues, and I think he has a real feel for it.

I think what happened in New Jersey was that the Democrats reacted to the fact that New Jersey's had a very tough economy. There's a lot of anxiety. That's what I think. But I wish I could get some of them back between now and voting day, because I've had any number of Members of Congress come to me just since the debate and say, "I know this is the right thing to do; I just don't know how to get there." Ultimately, the very sad thing is that if this issue were being decided by secret ballot, we'd have a 50-vote victory, at least.

Q. What does that show? What does that indicate?

The President. It doesn't show a lack of courage. I don't want to say that; I don't think that's fair. It shows the extent to which the organized efforts and the crying anxieties of people are combining to pull Congressmen

back. I just hope that we can overcome it by Wednesday. I think we can.

Q. Mr. President, in Florida, Mickey Kantor seems to have delivered an agreement on citrus, sugar, and winter vegetables. There are two concerns still out there, it seems. And one I know that Bob Graham has discussed with you personally; that's parity for the Caribbean Basin countries. The other one might be part of what's got Torricelli hanging out there yet, concern among Cuban-Americans that Mexico still has pretty good relationships with Cuba and is supporting Castro. Can you address those?

The President. First, I think Congressman Johnston came out for it, for NAFTA yesterday. And I hope we'll get a lot of the other Florida Democrats and the Republicans. They could turn the tide, actually. Florida is one of the keys in what happens to NAFTA. They have a huge number of votes that are not firmly declared.

Now, on the two issues you raised, I have talked to Senator Graham twice at great length about the Caribbean Basin Initiative issue, and I think he has some legitimate concerns which I want to work with him on. But here is the problem: I think that their concerns—I think we can solve this. That is, what the Members of the Florida delegation who have real concerns about these Caribbean countries and want them to do well and not be hurt, that is, they don't want production shifted from Caribbean nations to Mexico, I think we can work that out. And I think we can work that out with the support of the Mexicans. But that is a matter that it requires a greater attention to detail, in effect creating a new set of understandings, than solving the citrus problem or the sugar problem or the winter vegetable problem. So that if we were to just up and say, well, this is something we've fixed or agreed to now or the Mexicans were to agree to, we'd be asking them to do something now that they wouldn't be able to fully assess the implications of. And I think there is every indication that we could lose as many votes as we could gain from doing that. That's the real problem there.

I think we can work this out. But if I promise parity with all the implications that could make now, there's a chance that we could

lose as many or more votes as we could gain because we simply don't have time to sit down and work out the level of detail on the Caribbean Basin Initiative that I want. I think that the principle is sound; I think that the objective is sound; I think we can get there. But if the vote hinges on that, I just don't think we can do it.

And I feel the same way on the Cuban issue. Colombia—take another example—Colombia has increased their purchases of American products 69 and 64 percent in the last 2 years. It has also had some greater contact with the Castro regime. Should we tell them we don't want them to buy our products anymore?

The French—every time I see President Mitterrand, he tells me how wrong I am about Cuba. I think we're right about Cuba and they're wrong. But I think that we have to recognize that our embargo has been quite successful, that we have hurt the economy significantly, that it is contributing to, it is hastening the day when the outdated Communist system will collapse and Cuba will have to open. I don't think there's any question that these gestures of openness that have come out of the Castro regime in the last several months have been the direct result of our policy of pressure and firmness.

So I believe in our policy. But I don't think that we can rationally expect that we can leverage anybody right now to go along with it who doesn't agree with it. I mean, Mexico does have a history of dealing with Cuba. There's nothing I can do about it. I very much regret, after all the support that I have given to the Cuban Democracy Act, to Radio and TV Marti—no Democrat in my lifetime, in the White House at least, has come close to taking the strong position I have on this, agreeing with the Cuban American community. And I'm sorry that Congressman Menendez in New Jersey and Congresswoman Ros-Lehtinen, Congressman Diaz-Balart feel the way they do. But there's nothing I can do about it. I think the interest of the United States in dealing with Mexico, the border they share with us, the 90 million people they have, getting cooperation on immigration and drug issues, and—[inaudible]—jobs and growth outweigh the others. And I have to pursue the agreement.

Haiti

Q. Following up on a regional question, are you at all concerned about these reports coming out of Haiti that the embargo is causing the deaths of children? Has that raised any question in your mind about the policy?

The President. Well, yes. If you read the whole report, it's very interesting what it says. It says that the accumulation of the policies and the politics of the country are increasing the death rate of children every month. And I am very concerned about it. We feed over 650,000 people a week in Haiti. When I read the story, the thing that I was really concerned about—we could increase that if we need to. That is, if malnutrition is a problem, we can increase the delivery and the distribution of food.

I was particularly concerned when I saw the story—and we had a meeting on it, the national security people, the next morning—about the people saying that they were supposed to get medicine and they couldn't, because we thought when we did the embargo that we had taken care of that. So I asked our people to go back immediately and see what we could do to improve the delivery to the country and the distribution of medical supplies and medical care. And I would like to be given at least a while to try to see if we can't deal with that issue. I was very concerned about the report.

On the other hand, the people of Haiti need to know that the reason this embargo occurred is because of the police chief, Mr. François, and because of General Cédras and because they wretched on the Governors Island Agreement. The United States was willing to insist on full compliance of the Governors Island Agreement, including the amnesty provisions from President Aristide and from the Malval government, and they were willing to go along with it.

Has everybody asked a question?

NAFTA

Q. In a couple of years from now, what if, despite their protestations to the contrary, you find that a Procter and Gamble-type corporation or a Ford Motor Company or the Cincinnati—[inaudible]—companies like that, what if you find that they are indeed moving plants to Mexico, moving manufac-

turing operations to Mexico, which they said they wouldn't do? What would you tell the chief executives of those corporations?

The President. First of all, if they continue to move high-wage—those good plants to Mexico for the purpose—in other words—there's a difference. I want to make a clear distinction here, because I don't want to mislead anybody. If an American corporation wants to invest in Mexico City, to hire Mexicans to produce for the Mexican market, I don't think we should be against that. I think we should support that because that would create more middle-class Mexicans that will buy more American products. That's what the Mexicans get out of this deal. A lot of Americans say to me all the time, they say, "Mr. President, if this is such a hot deal for us, why do the Mexicans want it? What do they get out of it?" Of course, the whole idea of trade is that both sides win, that there are win-win agreements in this world. What they get out of it is investment in their country to develop their country to produce products and services for their people. Now, they will, in turn, buy more of our services.

To go back to your point, if I ever become convinced this is a bad deal for America, I'll just give notice and leave, if it's a bad deal for America. If certain companies are clearly abusing this agreement—well, let me back up and say there is no possibility they could do that. Let me tell you why. Put yourself in their position. This agreement does not prohibit what has been not only permitted but encouraged for years by our Government, which is setting up plants along the Mexican border with the United States to sell back into America. Now, if that continues unabated in a way that's bad for America, I think we ought to take note who's doing it, try to jawbone them out of it, and ask also if there's something we can do to help keep these companies operating in America, just the way I did when I was the Governor in my State. I think we'll be able to keep more jobs here if this passes than if it doesn't.

On the other hand, let me pitch it to you another way: If NAFTA doesn't pass, what possible leverage do I have over these folks? I lose a lot of leverage. Now, again, I'm not saying nobody will ever do this, but the point that we have to drive home to the American

people is that the present system makes it relatively more attractive to do this than Mexico after NAFTA will.

There was a man here last week from a fifth-generation Philadelphia, Pennsylvania-based furniture manufacturer, who talked about how he said, "They tried to get me to move to the South for years. Then the people tried to get me to move to Mexico. I wouldn't move anywhere; I'm staying in Pennsylvania. But I am going to sell more products and hire more people if you pass this deal." I think there will be more examples of that than there will be people who shut down and move. I think the President, however, should discourage and jawbone people from doing it, regardless.

Q. Thank you very much. Thank you, sir.

Q. Would you lose any leverage domestically if this thing goes down?

The President. Well, perhaps for a time. There's always a drag in politics. I don't think that would be permanent. I'm far more concerned—the effect on me is irrelevant. It's impossible to calculate what the twists and turns in the next 6 months or 2 years or 3 years will be. That doesn't matter. What matters is this is good for the American people, so it will be bad for them if it goes down. And it would clearly be bad for the United States in terms of our leadership to promote more growth, more economic partnerships, in terms of our leverage to get those Asian markets open.

Keep in mind, if we get a new GATT agreement, we'll get more access to the Asian markets. Our trade problem is not with Mexico. Here's a country that's with a much lower income than we have, spending 70 percent of all their money on foreign purchases, on American products, buying stuff hand over fist. Our trade problem is not with them. Our trade problem is \$49 billion with Japan, \$19 billion with China, \$9 billion with Taiwan, because those countries are growing very fast with their high savings, low cost, heavy export, minimum import strategy. We need that.

Our other big trade problem is a stagnant Europe. In other words, Europe is pretty open to our stuff, except for agriculture. They've been pretty open toward us. But when there's no growth, they have no money

to buy anything new. So the thing that I'm most worried about is that it will put America on the wrong side of history and it will take us in a direction that is just where we don't want to go as we move toward the 21st century. That overwhelms every other concern.

NOTE: The President spoke at 2:30 p.m. in the Roosevelt Room at the White House. This item was not received in time for publication in the appropriate issue.

Statement on the Massachusetts Building Trade Council Endorsement of NAFTA

November 12, 1993

Today, we saw a profile in courage. Leo Purcell, president of the Massachusetts Building Trade Council, endorsed NAFTA in a letter to fellow union workers.

In addition to saying, as I have, that this is a choice between change and status quo, Purcell, wrote, "No longer can nations afford to build invisible walls at their borders because there are no longer national borders to free trade."

I applaud Mr. Purcell for his leadership, courage, and vision and for his strong confidence in the American worker.

NOTE: A copy of the letter that was sent to the President from Leo Purcell was made available by the Office of the Press Secretary. This item was not received in time for publication in the appropriate issue.

Appointment of Members of the J. William Fulbright Foreign Scholarship Board

November 12, 1993

The President appointed four members today to the J. William Fulbright Foreign Scholarship Board, which selects students, scholars, teachers, and trainees to participate in educational exchanges as Fulbright scholars. It also finances educational activities for Americans abroad and for foreign citizens in the United States and promotes American