

8-21-1986

"Harnessing the Winds of Change", Montana AFL-CIO Convention

Max S. Baucus

Let us know how access to this document benefits you.

Follow this and additional works at: https://scholarworks.umt.edu/baucus_speeches

Recommended Citation

Baucus, Max S., "'Harnessing the Winds of Change', Montana AFL-CIO Convention" (August 21, 1986). *Max S. Baucus Speeches*. 357. https://scholarworks.umt.edu/baucus_speeches/357

This Speech is brought to you for free and open access by the Archives and Special Collections at ScholarWorks at University of Montana. It has been accepted for inclusion in Max S. Baucus Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

Printing, Graphics & Direct Mail
ONBASE SYSTEM
Indexing Form

Senator * or Department*: **BAUCUS**

Instructions:

Prepare one form for insertion at the beginning of each record series.

Prepare and insert additional forms at points that you want to index.

For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type*: **Speeches & Remarks**

MONTH/YEAR of Records*: **August-1986**

(Example: JANUARY-2003)

(1) Subject*: **Trade**

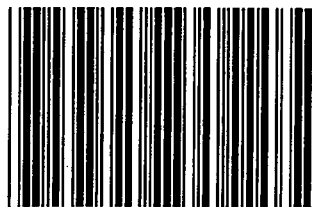
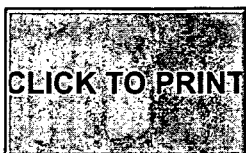
(select subject from controlled vocabulary, if your office has one)

(2) Subject* **Harnessing the Winds of Change**

DOCUMENT DATE*: **08/21/1986**

(Example: 01/12/1966)

* "required information"



BAUCUS

NEWS

SENATOR MAX BAUCUS

FOR RELEASE: EMBARGOED UNTIL 2 P.M.
August 21, 1986

CONTACT: Carole Long
(202) 224-2651

MEMO TO EDITORS: Montana Senator Max Baucus, in a speech today at the AFL-CIO convention in Great Falls, said Democrats must out-muscle the Senate Republicans and President Reagan so that Congress can pass a tough trade reform bill this year.

Following is the text of Baucus's speech.

SPEECH BY SENATOR MAX BAUCUS
MONTANA AFL-CIO CONVENTION
"Harnessing the Winds of Change"

Sixty-six years ago today, Franklin Delano Roosevelt completed his first campaign swing through Montana. He was running for Vice President against the Harding/Hoover ticket.

Those were the Roaring Twenties, when the stock market was soaring and Wall Street speculators were raking in millions. But FDR understood that economic development is about more than just easy profits for the privileged few. It's about people. It's about jobs. It's about a decent standard of living for working men and women.

These things are as important today they were in the 1920s. It's fine for President Reagan to crow about the stock market and corporate balance sheets. But, whether he knows it or not, this country's economic foundation is crumbling beneath our feet.

In many ways, the economic problem comes down to international trade.

Last week, you sent me a "trade basket." It was filled with American products, like wheat, lumber, and copper wire, that face fierce foreign competition. That trade basket symbolizes what I believe is the greatest challenge our country has faced since World War II: the trade crisis.

This year, our trade deficit will hit \$170 billion. For every \$2 worth of U.S. goods going out, \$3 worth of foreign goods will be coming in. Trade sensitive industries like agriculture, mining, forest products, and manufacturing are sliding into a recession, dragging communities and entire regions down with them. And millions of jobs have been lost.

Your leadership understands this. As Jim told the WETA conference three weeks ago, "We simply cannot sit back and watch the erosion of the economic base of this country." It's time to fight back. But we've have to fight back on two fronts. We have to attack unfair foreign trade practices. And we also have to restore America's lead in basic economic productivity.

The first step is attacking unfair foreign trade practices. For years, America has played the patsy. We have naively tried to achieve free trade by example. But other countries haven't followed our example. They've protected their own markets and subsidized the invasion of ours. Japan blocks our beef exports. Canada floods our market with subsidized lumber. The list goes on and on.

A few weeks ago I learned about a Montana cement producer who submitted the low bid on for a project up in Alberta, but was rejected because he wasn't Canadian. I've intervened in Ottawa, and I think we can turn that one around.

But enough is enough. American industry can slug it out with anybody, but not with one hand tied behind its back. That's where the trade laws come in. Our trade laws are supposed to make sure that American companies and foreign companies play by the same rules. But in fact, the trade laws are riddled with loopholes and haven't been enforced.

At the beginning of this Congress, I worked with your Washington representatives to write the "Trade Law Modernization Act," which closes loopholes and cracks down on unfair foreign trade practices.

Six months ago, the House passed a trade bill that incorporates many of our ideas. The bill has been sent over to the Senate Finance Committee. I'm on that Committee. We've held about 20 days of hearings. We've gone over the bill with a fine-tooth comb. But the Republican leadership of the Committee still won't bring the bill up for a vote. Frankly, they're stalling.

And down at the White House, President Reagan calls every single trade bill protectionist. He seems to have taken his trade policy from the line in an old Marx Brothers movie: "Whatever it is, I'm against it." Well, let me tell you something. He's not getting out of this one so easy. Meaningful trade law reform is long overdue. And we're going to get it.

Last week, Senator Lloyd Bentsen and I persuaded all 47 Senate Democrats to issue a statement calling for action on a trade bill this year. If we can't convince the Republicans on the Finance Committee to cooperate, we'll take trade reform straight to the Senate floor. And then, we'll let the chips fall where they may.

But attacking unfair foreign trade practices is only part of the problem.

To keep American on top for the long haul, we have to increase our economic productivity faster than our foreign competitors increase theirs. But that hasn't been happening. Since 1960, America's annual productivity growth rate has been 2.7%.

Sounds pretty good. But Britain, France and Germany have increased their productivity even faster, and Japan has increased its productivity almost three times faster. We've got to turn this trend around. In the end, we have to compete our way out of the trade deficit, by accelerating our productivity.

Don't get me wrong. In some circles, the word "productivity" is a code word for business tax breaks, deregulation, and union-busting. What productivity really means is giving American workers the weapons to compete in a changing, high-tech world.

So how do we increase productivity? We increase productivity by improving education.

Our kids are going to need high-tech skills to compete in the fast-paced job market of the 1990s. But the average Japanese 17-year old knows twice as much math as the average American 17-year old. So instead of spending \$100 million to finance a war in Central America, we should be putting more computers in our classrooms and paying teachers a decent wage.

We also increase productivity by increasing savings rates. To produce more jobs, American companies need low-interest capital. If we import that capital from overseas, it drives up the value of the dollar and makes imports cheaper. We've got to raise our capital here at home, by encouraging more saving. So should be doing a lot more to expand pension plans and IRAs.

We also increase productivity by giving workers more flexibility. Society is changing, and the workplace must change along with it. An example is the two-earner family.

We're the only major country that doesn't guarantee one parent the right to spend time at home with a new child and then return to work. Our failure to protect parents rights is bad social policy. It forces many families to chose between getting ahead economically and spending time with their kids.

But it's also bad economic policy, because it prevents millions of talented women from realizing their full economic potential.

Finally, we increase productivity by improving the relationship between managment and labor.

American managers continue to see labor as just another variable cost. They will sacrifice wages and workers before they'll sacrifice a quarterly earnings report. But take a look at the other countries that have been catching up to us. They take a different approach. They see labor as a long-term asset. They build trust and give workers a stake in the operation. It works there, and it can work here.

So we have two tasks ahead.

First, we have to out-muscle the Senate Republicans and President Reagan, so that we can pass a tough trade reform bill. That won't be easy. And we'll need your help.

Even if we succeed, we'll have another task. We have to increase long-term American productivity. And that will be a great challenge, requiring fundamental changes in the way we operate. But after all, meeting challenges is what Montana is all about.

As FDR wrote on the night before he died, "The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith."

####