

9-17-1986

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

Max S. Baucus

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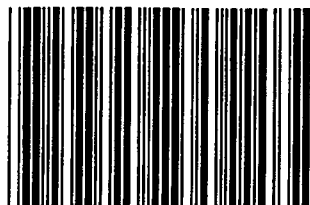
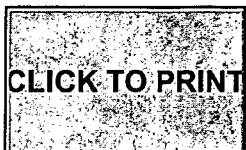
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(2) Subject* **Harnessing the Winds of Change**

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BAUCUS

Summation --
for speech file.
Date 9/17

SPEECH BY SENATOR MAX BAUCUS
MONTANA AFL-CIO CONVENTION
"HARNESSING THE WINDS OF CHANGE"

INTRODUCTION

THANKS, AND HELLO TO JIM (MURRY), DON
(JUDGE), AND OTHER FRIENDS

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 EASY PROFITS FOR THE PRIVILEGED
FEW.

IT'S ABOUT JOBS.

IT'S ABOUT PEOPLE.

IT'S ABOUT A DECENT STANDARD OF LIVING FOR
WORKING MEN AND WOMEN.

THAT'S AS IMPORTANT TODAY AS IT WAS IN THE
20s.

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} ~~UNDER~~
~~NEAR~~ OUR FEET.

THE TRADE CRISIS

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 THE GREATEST
CHALLENGE OUR COUNTRY HAS FACED SINCE WORLD WAR
II.

THIS YEAR, OUR TRADE DEFICIT MAY EXCEED \$170
BILLION.

FOR EVERY \$2 WORTH OF U.S. GOODS GOING OUT,
\$3 WORTH OF FOREIGN GOODS WILL BE COMING IN.

AS A RESULT, TRADE SENSITIVE INDUSTRIES LIKE
AGRICULTURE, MINING, FOREST PRODUCTS, AND MANUFACT
URING ARE SLIDING INTO A RECESSION, DRAGGING
COMMUNITIES AND ENTIRE REGIONS DOWN WITH THEM.

MILLIONS OF JOBS HAVE BEEN LOST, AND ~~AND~~
OUR STANDARD OF LIVING IS DECLINING FOR THE FIRST
TIME IN DECADES.

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 HAVE TO RESTORE AMERICA'S LEAD IN ^{economic} PRODUCT
 TIVITY ~~GROWTH~~.

TRADE LAW REFORM

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 OTTOWA, 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} ~~DESIGNED~~ TO MAKE SURE THAT AMERICAN COMPANIES AND FOREIGN COMPANIES PLAY BY THE SAME RULES. BUT IN FACT, THESE 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 ~~THESE~~^{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-TOOTHED 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} ~~PERSUADE~~ 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.

INCREASING PRODUCTIVITY

BUT LET'S NOT KID OURSELVES.

ATTACKING UNFAIR FOREIGN TRADE PRACTICES IS
ONLY PART OF THE PROBLEM.

IN THE LONG RUN, WE CAN ONLY KEEP AMERICA
NUMBER ONE ECONOMICALLY IF WE INCREASE OUR PRODUCT
TIVITY 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'S HAS BEEN 3.6%. ~~AND~~ JAPAN'S HAS
BEEN 8%.

WE'VE GOT TO TURN THIS TREND AROUND.

IN THE END, WE HAVE TO COMPETE OUR WAY OUT OF
THE TRADE DEFICIT, BY INCREASING OUR PRODUCTIVITY
GROWTH RATE.

DON'T GET ME WRONG. IN SOME CIRCLES, ~~THE~~
~~THE~~ "PRODUCTIVITY" IS A CODE WORD FOR BUSINESS
 TAX BREAKS, DEREGULATION, AND UNION+BUSTING.

To the contrary,
~~WHAT~~ PRODUCTIVITY SHOULD MEAN ~~BE~~ GIVING THE
 AMERICAN WORKER THE TOOLS HE NEEDS TO COMPETE IN A
 CHANGING ~~HIGH-TECH~~ WORLD.

SO HOW DO WE INCREASE PRODUCTIVITY?

WE INCREASE PRODUCTIVITY BY IMPROVING
EDUCATION.

OUR KIDS WILL NEED HIGH+TECH SKILLS TO COM+
 PETE IN THE FAST+PACED JOB MARKET OF THE 1990s.

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 INCREASE PRODUCTIVITY BY INCREASING
SAVINGS RATES.

THE SMALL BUSINESSES THAT PRODUCE MOST OF OUR
NEW JOBS NEED LOW+INTEREST CAPITAL SO THAT THEY
CAN MODERNIZE AND EXPAND.

BUT OUR SAVINGS RATE IS THE LOWEST IN THE
INDUSTRIALIZED WORLD. SO SHOULD BE DOING ALL WE
CAN TO ENCOURAGE FAMILIES TO SAVE MORE, BY EXPAND+
ING PENSION PLANS AND IRAs.

WE INCREASE PRODUCTIVITY BY DEVELOPING A MORE
FLEXIBLE WORKPLACE.

WE'RE THE ONLY INDUSTRIALIZED COUNTRY THAT
DOESN'T GUARANTEE PARENTS THE RIGHT TO SPEND TIME
AT HOME WITH A NEW CHILD AND THEN RETURN TO WORK.

THIS IS BAD SOCIAL POLICY.

BUT IT'S ALSO BAD ECONOMIC POLICY, BECAUSE
WE'RE PREVENTING MILLIONS OF TALENTED WOMEN FROM
REALIZING THEIR FULL ECONOMIC POTENTIAL.

FINALLY, WE INCREASE PRODUCTIVITY BY IMPROV+
ING LABOR+MANAGMENT COOPERATION.

AMERICAN MANAGERS WILL SACRIFICE WAGES AND
WORKERS BEFORE THEY'LL SACRIFICE A QUARTERLY
EARNINGS REPORT.

~~IN CONTRAST,~~ OUR FOREIGN COMPETITORS SUCCEEDED/
~~THEY~~ ^{THEY} ~~MANAGING~~ FOR THE LONG TERM. THEY BUILD TRUST
AND GIVE WORKERS A STAKE IN THE OPERATION.

by taking a
different
approach.

IT WORKS THERE, AND IT CAN WORK HERE.

CONCLUSION

SO WE HAVE TWO GOALS.

FIRST, WE HAVE TO OUTMUSCLE THE SENATE
REPUBLICANS AND PRESIDENT REAGAN TO PASS A TOUGH
TRADE REFORM BILL.

THAT WON'T BE EASY.

AND WE'LL NEED YOUR HELP.

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~~BUT~~ **E**VEN IF WE SUCCEED, WE'LL HAVE TO ~~INT~~
*in*CREASE AMERICAN PRODUCTIVITY. THAT WILL BE A
GREAT CHALLENGE.

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."

THANK YOU.

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