

In the auto dispute, President Clinton went to the brink of a trade war with Japan, but came away with almost nothing to show for it. When the so-called "agreement" was reached last July, high-level Japanese officials immediately and publicly disavowed the import targets that President Clinton hailed as his great achievement. It turns out those numbers were simply not part of the agreement. The agreement was just another political publicity stunt, designed to convey the appearance of "toughness." Unfortunately, creating this appearance for President Clinton and his advisers cost the United States much credibility with Japan, not to mention with other countries looking for instruction on how to deal with American demands on future trade issues.

Costs to America's Credibility of Clinton's Political Stunts

The consequence of this massive retreat by the Clinton administration was serious and damaging for American companies and American jobs. The Japanese quickly realized that they had been dealing with a paper tiger. Suddenly, on all other fronts, negotiations with Japan came to a halt. U.S. overtures even to begin a dialogue on other issues were rebuffed. U.S. trade negotiators were told by their Japanese counterparts to find some other agency to address their complaints. This mocking of U.S. officials by a major trading partner is unprecedented -- and prior to the Clinton years would have been inconceivable.

So it is easier to understand why serious trade disputes with Japan were ignored by President Clinton during his summit with Mr. Hashimoto. President Clinton brought back nothing on the dispute over Japanese discrimination against Kodak Film. He brought back nothing on the dispute over access to Japan for American semiconductors, one of our most competitive industries. President Clinton brought back nothing on the dispute over access to the Japanese market for American insurance companies, another industry where the U.S. has a strong competitive advantage.

Trade Deficits with Japan, World, at All Time High

How can people put all of this in perspective? There is one simple way to express the damage to America of President Clinton's botched trade policy. I believe the American people would be astonished to know that today, the U.S. trade deficit with Japan is higher than it was when President Clinton took office. That's right, it's higher. The merchandise trade deficit with Japan is now a staggering \$60 billion -- this is \$10 billion higher than when Clinton became President.

Furthermore, figures were released last week showing that the trade deficit with Japan continues to climb, growing over \$100 million from January to February of this year.

Candidate Clinton talked a lot about trade deficits. He knew that trade deficits siphon our wealth, and our jobs, to other countries. The giant trade deficit with Japan constitutes a massive transfer of wealth out of American communities into the hands of the Japanese. Under President Clinton, our trade deficit with Japan has gone up. President Clinton has presided over the highest trade deficits with Japan in history. In fact, another shocking achievement of the short Clinton era is that the U.S. trade deficit with the world also hit a record high. He has ignored, or sought to divert attention from, these harmful facts. He has done nothing to reverse it, change it or improve it. Oh, yes, he has done plenty of talking, but he's done nothing to save the jobs that continue to be in danger.

I believe the American people deserve to know about President Clinton's failed trade policy. The American people need to know about his new policy of camouflaging the truth. I hope that he will abandon this new policy that only seeks to hide his failures. Too many important decisions lie ahead for President Clinton to continue to substitute appearances for reality.

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