

To meet these goals, we will need to build more public support for opening markets, at home and abroad. We need to be more forthright in spelling out the benefits of trade. And not just the economic benefits, but also explaining how trade is intertwined with security, political cooperation, and the spread of democratic values.

Some say that we must be cautious about pressing for free trade because of slower economic growth. I say that the most important time to show support for free trade is during periods of economic uncertainty. Protectionism only depresses investor confidence and prolongs sluggishness.

Expanded trade - imports as well as exports - improves our well being. It leads to better jobs, with bigger paychecks, in more competitive businesses - as well as to more choices of goods and inputs, with lower prices, for hard-working families and hard-driving entrepreneurs. In the United States, exports accounted for over one-quarter of our economic growth over the last decade and support an estimated 12 million jobs. For the European Union as a whole, exports accounted for an estimated 45 percent of economic growth during the 1990s.

NAFTA and the completion of the Uruguay Round contributed to the longest period of economic growth in U.S. history, with levels of full employment and without inflationary pressures, beyond the forecasts of any economist. The two agreements have resulted in higher incomes and lower prices for goods, with benefits amounting to \$1300 to \$2000 a year for the average American family of four. When trade is restricted, hard-working families are forced to devote a larger portion of their paychecks to more expensive food, clothing, and appliances. Trade protection is a hidden tax on every consumer.

Trade is also essential for economic growth in developing nations. A recent World Bank study analyzed the economic performance of globalizing and non-globalizing developing countries. The study found that in the 1990s, the income per person for globalizing developing countries grew more than 5 percent per year. For non-globalizing countries, annual incomes declined by more than 1 percent per year. The study also found that as trade grew and economies expanded, people with lower incomes realized a proportionate share of the benefits. Absolute poverty in the globalizing developing countries has dropped sharply in the last 20 years.

Free trade is also about freedom. As President Bush has said, "Economic freedom creates habits of liberty. And habits of liberty create expectations of democracy."

NAFTA, for example, was a key to the political transformation of a modernizing Mexico. It is not a coincidence that after NAFTA's implementation, Mexico elected its first president from the opposition, Vicente Fox, since that nation's revolution. And as the political system in Mexico has been liberalized, NGOs and a truly independent press have sprouted. At the recent Summit of the Americas, the leaders agreed that any unconstitutional alteration or interruption of the democratic order in a state of the hemisphere would disqualify that government from further participation in the Summit of the Americas process.

4