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Democrats Criticize Bush Over Job Exports

By EDMUND L. ANDREWS

WASHINGTON, Feb. 10 — Democrats in Congress and on the campaign trail, citing remarks by a top White House economic adviser, accused [President Bush](#) on Tuesday of encouraging companies to export jobs overseas.

"The Bush administration said that sending American jobs overseas is a good thing for America and good for the economy," [Senator John Kerry](#) of Massachusetts, the front-runner for the Democratic presidential nomination, said in a statement released by his campaign.

"They've delivered a double blow to America's workers — three million jobs destroyed on their watch, and now they want to export more of our jobs overseas. What in the world were they thinking?"

Mr. Kerry and other top Democrats were reacting to remarks on Monday by N. Gregory Mankiw, chairman of the White House Council of Economic Advisers, who had been summarizing his office's annual economic report to the president.

The new report predicted that the economy would gain as many as 2.6 million jobs this year, which is more optimistic than most private-sector forecasts but barely enough to offset the jobs that have been lost in the last three years.

Asked about the role of farming out production and services to low-wage countries like China and Mexico, Mr. Mankiw acknowledged that the practice was on the rise but said it would ultimately benefit the United States.

"I think outsourcing is a growing phenomenon, but it's something that we should realize is probably a plus for the

economy in the long run," Mr. Mankiw told reporters on Monday.

"We're very used to goods being produced abroad and being shipped here on ships or planes," Mr. Mankiw continued. "What we are not used to is services being produced abroad and being sent here over the Internet or telephone wires. But does it matter from an economic standpoint whether values of items produced abroad come on planes and ships or over fiber-optic cables? Well, no, the economics is basically the same."

Many if not most economists contend that the expansion of free trade, in goods as well as services, ultimately benefits all countries that participate.

But anger over "free trade" has proved to be a potent issue for Democratic presidential candidates, and it has eroded political support for Mr. Bush in major Midwestern industrial states and in Southern states like South Carolina, where textile manufacturers and furniture companies have shed tens of thousands of jobs.

Mr. Kerry voted in favor of treaties that greatly expanded international trade, including the North American Free Trade Agreement with Canada and Mexico and a market-opening treaty with China.

In Congress, numerous other Democrats seized on Mr. Mankiw's comments to attack Mr. Bush.

"If this is the administration's position, I think they owe an apology to every worker in America," said Senator Tom Daschle of South Dakota, the Senate Democratic leader. "There is absolutely no justification for arguing that we could support jobs going overseas, especially under these circumstances."

Claire Buchan, a spokesman for Mr. Bush, did not contradict Mr. Mankiw's remarks but said the administration was committed to "free and fair trade."

"The argument that we're exporting our good jobs is false," Ms. Buchan said Tuesday. "American workers earn the highest wages in the world. They are the most productive workers in the world and in fact they are becoming more productive."

Ms. Buchan said Mr. Bush remained committed to expanding free trade and opening up more markets to American exports, but she added that "the president's view is that we need to work to assure a level playing field for goods and

services."

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