

NORTH AMERICAN INVESTMENT FUND

MR. CORNYN. Mr. President, I rise today to introduce legislation – previously introduced in the 108th Congress – which I believe is important to the long-term competitiveness of North America. And I would like to thank my distinguished colleague, Sen. Coleman, for his support and recognition of the value of this legislation. He is an original co-sponsor of the bill, and I look forward to working with him and others to ensure its success.

Currently, a significant development gap exists between Mexico and the United States and Canada. I believe it is in our best interests to find creative ways to bridge this development gap.

As my colleagues undoubtedly are aware, Mexico will elect a new President this weekend. When President Fox was elected in 2000 it was a watershed event for Mexico because the election was fair and the transfer of power was peaceful. I hope that the same fair, peaceful process takes place this weekend. So I wish all the candidates well and I look forward to working with the new Administration and the new Congress on issues of mutual importance to our countries.

Mr. President, considered in the context of history, Mexico has – particularly within the past decade – made significant strides related to its system of government and its trade policies. However, much work remains to be done, and I think it is

important that we explore ways to help our neighbor move their development efforts to the next level, to assist them as they continue on a path of prosperity and growth.

I have come to view the creation of a North American Investment Fund as both central to our relationship with Mexico and necessary to ensure the economic prosperity of North America as part of an ever-changing and growing global economy. I hope that this legislation will be a useful vehicle to help jump-start discussions on this very important topic.

My bill authorizes the President to negotiate the creation of a North American Investment Fund with the governments of Canada and Mexico. The fund can only be created if Mexico satisfies two conditions.

- First, the government of Mexico must raise tax revenue to 18 percent of the gross domestic product of Mexico. Their current tax rate is approximately 9 percent.
- Second, Mexico must develop and execute a program of economic reforms to increase private investment and economic growth, while also maintaining economic stability in Mexico.

These steps are of the utmost importance because any lasting changes in Mexico *must* start from within.

The purpose of this Fund is to reinforce efforts already underway in Mexico to ensure their own economic development. The funding would make grants available for projects to construct roads in Mexico to facilitate trade, to develop and expand their education programs, to build infrastructure for the deployment of communications services and to improve job training and workforce development for high-growth industries.

Mr. President, as I have mentioned on several occasions, I have heard from Mexico leaders who say they want desperately to “export goods and services, not people” to our country. Well, I think we all recognize that opportunity in one’s home country and immigration are linked, and I believe we should be more involved in helping to promote the strength and stability of our neighbors.

Development provides a positive and stabilizing influence on economies, on government institutions, and also on immigration. We’ve seen, in past years, a steady flow of immigrants – particularly undocumented workers – coming across our borders. A vast number of these immigrants are here to work hard so they can send money home to their families and relatives. They may be well-intentioned, but at the same time, these hard workers are doing nothing to help their own economies.

Mexico does not want the most entrepreneurial members of its society to permanently leave. What it wants most of all is for economic development to grow in

their region, so that citizens would have real opportunities to stay and grow the economy there. But with the entrepreneurs and risk-takers coming to the United States, Mexico cannot hope to improve its own economy.

Economic growth creates new jobs and raises incomes. This growth lifts people out of poverty even as it spurs positive economic reform. The potential for good is nearly limitless; as with such a fund we could spur sustainable development, strengthen private property rights, while also encouraging competition, regional integration, the open flow of technology.

So the best solution for all of us is a Mexico economy that is vibrant – and one important way is to ensure its continued development of infrastructure and resources. The legislation I am proposing today would encourage this development, and I urge my colleagues to support it.

I have no illusions that Congress will move quickly to approve the idea of a North American Investment Fund. In fact, I think it will likely take some time to make our case regarding the important role this fund would play in helping spur much-needed reforms in Mexico. But this investment in Mexico's future will only serve to contribute to a more stable and prosperous North America, which should be a goal we all work to actively support.

It is important that we consider not only what is immediately feasible, but also what is ultimately desirable – the ultimate goal – in terms of the relationship between our three countries, and so I urge my colleagues to cosponsor this important legislation.