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ALEXIS HERMAN's NOTES on NAFTA
ILLINOIS, NEBRASKA, AND OHIO
NOVEMBER 1, 1993

-Committed to issues that impact the _______

-____ 2,0000 ____

- 21% of a jobs are ____
  job loss

- ___ to _____ and ____

-right to ____

jobs= ________be _____

1 ____= jobs
2 1bit= 20,000
OA 200,000= 180 net
3 500 but already ____

4 1a studies
  18 of the 19
  19 ____ to everything _____ get

5 ____ jobs
  _____ the issue
  _____
  ______

6 2 million jobs
  ____

THE WHITE HOUSE

WASHINGTON

November 1, 1993

NAFTA BRIEFING WITH ILLINOIS, NEBRASKA AND OHIO

TO: Alexis Herman
DATE: Tuesday, November 2, 1993
LOCATION: 450 Old Executive Office Building
TIME: 9:30 AM - 12:00 noon
FROM: Doris Matsui

I. PURPOSE

This is a briefing for approximately 100 leaders from Illinois, Nebraska and Ohio about the benefits and importance of the North America Free Trade Agreement (NAFTA). This is the ninth in a series of state NAFTA briefings. We have given briefings to leaders from New England (Massachusetts, New Hampshire and Maine), New Jersey, North Carolina, Maryland, Virginia, Alabama, Georgia, California, Texas, Tennessee, Arizona, Kentucky, Louisiana, New York and Connecticut.

II. BACKGROUND

NAFTA has been defined by its opponents in a negative way as a job loser. In order to get beyond the large organizations that oppose NAFTA, we must get to the people who can actually make the argument for NAFTA -- the people outside the beltway, the citizenry in their individual communities.

This briefing gives us an opportunity to present the case to the people who actually vote and who could spread the message at the grassroots level.

This group consists of supporters as well as those who are still undecided, therefore it is important to emphasize how NAFTA will create jobs for this country.

III. PARTICIPANTS

Vice President Gore
Secretary Hazel O'Leary
Administrator Carol Browner
Bob Rubin
Bill Daley

Congressman Peter Hoaglin (D-NE)

IV. PRESS PLAN

Closed. There will be a stakeout following the briefing.

V. SEQUENCE OF EVENTS

- You will enter the holding room of Room 450 of the Old Executive Office Building.
- You will introduce Bob Rubin.
- Bob Rubin will give remarks. Questions and answers.
- You will introduce Administrator Browner.
- Administrator Browner will give remarks. Questions and answers.
- Break
- You will introduce Bill Daley.
- Bill Daley will give remarks. Questions and answers.
- You will introduce Secretary O'Leary.
- Secretary O'Leary will give remarks. Questions and answers.
- You will introduce the Vice President.
- The Vice President will give remarks. Questions and answers.
- Close

VII. ATTACHMENTS

- Agenda
- Illinois, Nebraska, and Ohio Participants
- Other speakers talking points
- Other supportive material

ROBERT RUBIN

Illinois, Ohio and Nebraska Opinion Leader Briefing
Talking Points

November 2, 1993

Economic Opportunities for the United States

- Our trade balance with Mexico shifted from a $5.7 billion deficit in 1987 to a $5.6 billion surplus in 1992. Compare that with our trade deficits of $49 billion with Japan, $19 billion with China and $9 billion with Taiwan.

- Since 1986, U.S. merchandise exports to Mexico have increased 228 percent -- 2.3 times faster than U.S. exports to the rest of the world.

Economic Opportunities for Ohio

- Ohio's merchandise exports to Mexico almost tripled from 1987 to 1992, rising from $245 million to $708 million -- supporting 15,500 jobs.

- Ohio's top Mexico export categories were: industrial machines and computers ($197 million), chemical products ($130 million), rubber and plastic products ($70 million), electric and electronic equipment ($53 million), and transportation equipment ($46 million).

Economic Opportunities for Illinois

- Illinois' exports to Mexico grew 385% from 1987 to 1992, 292 percentage points faster than export growth to the rest of the world -- supporting 28,600 jobs.

- Illinois boosted exports of an extremely wide range of manufactured goods to Mexico over the five year period. Sectors that recorded significant gains were:industrial machinery and computers (up $394 million), transportation equipment(up $142 million), primary metal industries (up $99 million), electric and electronic equipment (up $96 million), and food products (up $89 million).

Economic Opportunities for Nebraska

- Agricultural crops ($39 million) and food products ($38 million) were Nebraska's top exports to Mexico in 1992. These two categories together accounted for over three-fourths of the state's merchandise exports to Mexico -- supporting approximately 3,000 jobs.

- Nebraska's manufacturing sector saw the largest increase in exports among all of the state's industries over the five year period (up $33 million). Categories the recorded sizable gains were food products (from $15 million to$38 million), fabricated metal products (from $222,000 to $2 million), and industrial machines and computers (from $981,000 to $6 million).

CAROL BROWNER

Illinois, Ohio and Nebraska Opinion Leader Briefing
Talking Points

November 2, 1993

The Side Agreements: Cooperating to Clean-Up the Environment

- NAFTA: the first international trade agreement to even mention the word "environment."

- Opportunity for unprecedented cooperation between the U.S. and Mexico to clean-up the border area.

- For this reason NAFTA endorsed by National Wildlife Federation, the World Wildlife Fund, the Audubon Society, the Environmental Defense Fund, the National Resources Council and Conservation International.

The North American Development Bank (NADBank): Providing the Resources to Clean-Up the Environment

- NADBank backs this commitment with the funds necessary to get the job done.

- $225 million from both Mexico and the U.S. provide the leveraging power.

- $2 billion or more in loans and guarantees certified by the Border Environmental Cooperation Commission (BECC).

- Leveraging power of more than $20 billion over five years. -- Esteban Torees, U.S. House of Representatives, October 27, 1993.

- NADBank has intensified the support of the environmental groups. Peter A.A. Berle, President of the National Audubon Society stated: **"The creation of NADBank is essential to address the horrible conditions affection the human environment not only along the US-Mexican border but throughout the region."**

Business Opportunities in Cleaning-Up the Environment

- Sun Electric, in Crystal Lake, IL, a company that has already seen sales of its automotive test and diagnostic equipment increase more than 40 percent over the last two years, is currently exploring options for sales in automotive pollution monitoring equipment.

- Ecolo-Chief, a manufacturer of wastewater treatment systems since 1972, exported its first system to Mexico in 1990. Less than two years later, close to 60% of the division's sales are to Mexican customers. Company officials credit the drastic reduction in tariffs in the last five years and an increase in environmental awareness by the Mexican government as the keys to their success.

10) [illegible]
Job Loss –
9) [illegible]
8) Right to organize

Jobs = 7.) [illegible]

1 Export = Jobs
2 1 Bil = 20,000
84 200,000 = 180 – net
3 500 lost – already gone

4 19 studies
18 of the 19
14 [illegible]

5. [illegible] Jobs [illegible]
410 more Bud / [illegible]
Productivity / [illegible]

6. 2 mil Jobs
[illegible]
[illegible]

BILL DALEY

Illinois, Ohio and Nebraska Opinion Leader Briefing
Talking Points

November 2, 1993

Illinois

- 28,600 jobs in Illinois in 1992 were supported by exports to Mexico. Almost 70% of those jobs were created in the past five years, since Mexico began liberalizing its import regime.

- Illinois's exports to Mexico grew 385 percent from 1987-1992, 292 percentage points faster than export growth to the rest of the world.

- Illinois ranked eight among all states in the percentage increase in exports to Mexico over the five year period.

- Illinois was one of 17 states which ranked Mexico among their top three export destinations. Canada, our other NAFTA partner, was Illinois's top export market; Mexico was second largest.

- Specific Industries
  - Illinois's producers of **Primary Metal Products** will benefit from the elimination of Mexican tariffs (as high as 15 percent). Illinois's exports of these products have grown 81 percent since 1987; the industry employs over 49,000 people in Illinois.

  - Illinois's **furniture industry**, which employs 19,000 workers is another industry which has seen phenomenal growth -- nearly 3,000 percent! As Mexican tariffs on these goods are eliminated, and as demand grows in Mexico for these quality Illinois products, this industry will continue to see phenomenal growth.

  - **Food Products** producers in Illinois have seen exports rapidly grow from almost zero to nearly $100 million last year. As Mexico's tariffs are eliminated, the 77,000 Illinois workers in this industry will benefit.

  - The elimination of Mexican tariffs and quotas on imports of **corn** from the U.S. is expected toe enable U.S. exports to Mexico to increase by as much as 70 percent. U.S. exports to Mexico of **soybeans** are expected to increase by 700,000 tons, or 12 percent.

Ohio

- 15,500 jobs in Ohio in 1992 were supported by exports to Mexico. More than 50 percent of those jobs were created in the past five years, since Mexico began liberalizing its import regime.

Nebraska

- 2,700 jobs in Nebraska in 1992 were supported by exports to Mexico. Almost 45%of those jobs were created in the past five years, since Mexico began liberalizing its import regime.

HAZEL O'LEARY

Illinois, Ohio and Nebraska Opinion Leader Briefing
Talking Points

November 2, 1993

NAFTA: DEVELOPING THE NATURAL GAS/ENERGY SECTOR

- In 1992, the U.S. exported to Mexico and Canada over 185,000 barrels of oil and petroleum products, over 160 billion cubic feet of natural gas, 16 million tons of coal and coke, and almost 9 billion kilowatt-hours of electric power; with a combined value of over $2 billion, these exports supported over 100,000 jobs across the U.S. economy.

- U.S. natural gas exports to Mexico have grown substantially. Exports in 1992 were 95 billion cubic feet (BCF), up from 60 BCF in 1991. (FYI -- natural gas prices run about two dollars per thousand cubic feet; therefore the Mexican market for U.S. natural gas was about $190 million in 1992.)

- With NAFTA, U.S. exports could grow to 330 BCF by the year 2000.

    - More optimistic predictions (particularly by the American Gas Association) see U.S. exports rising to 500 BCF in the very short term; a $1 billion market. (In the long term, as the Mexicans develop their energy infrastructure, the AGA sees Mexico again becoming a net exporter of natural gas -- as it was until 1984.)

- The reason for this near-term increase in demand is that most of Mexico's natural gas reserves are located in the south of the country. Because their energy infrastructure is underdeveloped, and because most of the increase in Mexico's energy demand will be in the north, it is highly expensive to use Mexican natural gas. A more cost-effective alternative for Mexico is importing Natural Gas from the U.S.

- Further, Natural Gas is far cleaner for electrical generation than coal or other fossil fuels. Mexico estimates that they will need 16,000 megawatts of additional capacity over the next ten years to meet their growing demand. "With private investment in the electricity sector and greater emphasis on the environment, natural gas will be the fuel of choice in the fast growing Mexican economy." -- Deputy Secretary of Energy William White before the House Subcommittee on Energy and Power (House Energy & Commerce Committee) 9/22/93

- Perhaps the greatest opportunities for the U.S. lie not in natural gas exports, but rather in the export of products to build Mexico's energy infrastructure. Many joint ventures to build power plants and distribution networks are on hold pending the successful completion of the Free Trade Agreement with Mexico.

- According to an AGA analyst, this market will easily run into the tens of billions of dollars.

- The Free Trade Agreement with Mexico also opens the government procurement market to U.S. and Canadian firms. The two state-owned Mexican energy companies -- PEMEX and CFE -- have a combined budget of over $8 billion per year. The Petroleum Equipment Suppliers Association project a tripling of their sales of oil and gas equipment to Mexico in 1994, if the Free Trade Agreement goes into effect in early 1994. Such growth would increase jobs in their sector by 3000 in 1994 alone.

The Vice President

Illinois, Ohio and Nebraska Opinion Leader Briefing
Talking Points

November 2, 1993

NAFTA Necessary to Maintain U.S. Leadership in the World.

- Our international competitors know this agreement provides tremendous opportunities for Americans -- **that's why Japan's Deputy Minister Yasuo Tanabe voiced his concerns in Mexico last week that NAFTA will cut into Japanese exports of automobiles and textiles.** We know this agreement is the first real opportunity for our productive workers to compete on a level playing field.

Ohio-Mexico Trade Statistics

- Ohio's exports to Mexico grew 189% from 1987 to 1992, 108 percentage points faster than export growth to the rest of the world.

Illinois-Mexico Trade Statistics

- Illinois's exports to Mexico grew 385 percent from 1987-1992, 292 percentage points faster than export growth to the rest of the world.

Nebraska-Mexico Trade Statistics

- Nebraska's exports to Mexico grew 125% from 1987 to 1992, 45 percentage points faster than export growth to the rest of the world.

- Nebraska was one of 17 states which ranked Mexico among their top three export destinations. Canada, our other NAFTA partner, ranked second among Nebraska's export markets; Mexico was third largest.

Real Business, and Real Facts about the Future of Trade with Mexico.

Illinois - Caterpillar of Peoria Illinois. Mexico has emerged as a major growth market for Caterpillar since 1989 as a result of improved economic conditions and infrastructure development effort. Caterpillar has seen its business in Mexico increase more than tenfold from $15 million in sales in 1983 to nearly $200 million in 1992. In turn, these exports have generated work for 1,300 U.S. Caterpillar workers and 2,700 employees at the company's U.S. suppliers.

As Bill Lane, the Washington Manager of Caterpillar said, "The NAFTA would eliminate the incentive to move operations to Mexico. By eliminating all trade barriers within North America, U.S. companies wold be better able to serve the Mexican market by exporting, rather than by moving production."

Ohio - Richards Industries Valve Group of Cincinnati tells us that without sales to the international marketplace, a number of valve manufactures would not survive. Currently their ability to sell in Mexico is severely restricted. However, NAFTA's government procurement provisions open-up a huge new market for the company. NAFTA will completely eliminate all tariffs on the company's products.

IL, NE + OH (As of 11/1 3pm)

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ILLINOIS, NEBRASKA, AND OHIO NAFTA FORUM
TUESDAY, NOVEMBER 2, 1993

AGENDA

9:30 AM- 9:35 AM	Alexis Herman Welcome and Introduction of Bob Rubin
9:35 AM- 10:00 AM	Bob Rubin Remarks and Q & A
10:00 AM- 10:30 AM	Administrator Carol Browner Remarks and Q & A
10:30 AM- 10:45 AM	~~Break~~ Bill Daly
10:45 AM- 11:00 AM	~~Special Counsellor~~ Daley Break ~~Remarks and Q & A~~
11:00 AM- 11:30 AM	Secretary Hazel O'Leary
11:30 AM- 12:00 Noon	Vice President Gore Remarks and Q & A

The State of OHIO

and the

NAFTA

- **OHIO and NAFTA: *EXPORTS and JOBS***
- **OHIO EXPORTS to MEXICO**
- **OHIO EXPORTS to CANADA**
- **OHIO COMPANIES: *A Sample in Support of NAFTA***

OHIO and the NAFTA: *EXPORTS and JOBS*

• JOBS •

OHIO Jobs Supported by Trade with MEXICO and CANADA - 183,100.

• EXPORTS •

OHIO Exports to MEXICO and CANADA Reached $8.3 billion in 1992.

- **Ohio's merchandise exports to Mexico almost tripled from 1987 to 1992,** rising from $245 million to $708 million. Nonborder states have registered the greatest percentage growth in shipments to the Mexican market.

- **15,500 jobs in Ohio in 1992 were supported by exports to Mexico.** More than 50 percent of those jobs were created in the past five years, since Mexico began liberalizing its import regime.

- **Over the past five years, Ohio exports to Mexico rose by $463 million, the seventh largest dollar increase among the states.**

- **Ohio ranked ninth among all states in the value of 1992 exports to Mexico.**

- **Ohio's exports to Mexico grew 189 percent from 1987 to 1992,** 108 percentage points faster than export growth to the rest of the world.

- **Mexico in 1992 ranked fifth among Ohio's 190 export markets,** up from seventh place in 1987. Ohio was one of 25 states which ranked Mexico among their top five markets. Canada, our other NAFTA partner, was Ohio's top export market.

- **Ohio's exports to Mexico in 1992 were broad-based.** The top export categories were: industrial machines & computers ($197 million), chemical products ($130 million), rubber & plastic products ($70 million), electric & electronic equipment ($53 million), and transportation equipment ($46 million).

- **Ohio boosted exports of a wide range of manufactured goods to Mexico over the past five years.** Eighteen of the twenty major industries that comprise manufacturing registered export growth. Sectors with important gains included: paper products ($2 million to $30 million), food products (from $3 million to $25 million), and refined petroleum products (from $715,000 to $15 million).

- **In 1992, Ohio's exports to Canada totalled $8 billion.** Ohio's exports to Canada grew almost 90 percent over the past five years, during which the U.S.-Canada Free Trade Agreement was implemented (January 1, 1989).

Compiled by USDOC/OM, August 1993.
Job estimate provided by USTR; refers only to jobs supported by exports of manufactured goods.

OHIO'S EXPORTS TO MEXICO, BY INDUSTRY SECTOR

(Percent & Thousand $)

	1987	1992	% CHANGE	$ CHANGE
OH'S EXPORTS TO MEXICO	$245,232	$707,855	188.6%	$462,623
AGRICULTURE,FORESTRY & FISHERIES	$479	$4,059	747.6%	$3,580
Agriculture – crops	0	663	--	663
Agriculture – livestock	105	277	164.4%	172
Forestry	374	3,103	729.1%	2,729
Fishing, Hunting	0	17	--	17
MINING	692	1,507	117.9%	816
Metal Mining	176	652	270.8%	476
Coal Mining	172	88	-49.1%	-84
Oil & Gas	0	126	--	126
Non-Metallic Minerals	344	641	86.5%	297
MANUFACTURING	242,514	697,129	187.5%	454,615
Food Products	2,743	25,072	814.0%	22,329
Tobacco Products	0	0	0.0%	0
Textile Mill Products	1,333	11,767	782.5%	10,434
Apparel	59	840	1318.9%	781
Lumber & Wood Products	286	3,696	1190.4%	3,410
Furniture & Fixtures	99	8,559	8571.3%	8,460
Paper Products	1,733	29,844	1621.8%	28,111
Printing & Publishing	373	2,737	633.4%	2,364
Chemical Products	59,929	130,194	117.2%	70,265
Refined Petroleum Products	715	14,630	1947.6%	13,916
Rubber & Plastic Products	13,573	69,506	412.1%	55,933
Leather Products	0	675	--	675
Stone, Clay & Glass Prod.	9,360	15,747	68.2%	6,387
Primary Metal Industries	12,273	34,471	180.9%	22,198
Fabricated Metal Products	12,199	34,219	180.5%	22,021
Indus. Mach. & Computers	68,981	196,981	185.6%	128,000
Electric & Electronic Equip.	31,685	53,200	67.9%	21,516
Transportation Equipment	20,329	45,506	123.9%	25,178
Scientific & Measuring Instr.	6,614	13,486	103.9%	6,872
Miscellaneous Manufactures	230	5,997	2505.2%	5,767
OTHER	1,547	5,160	233.5%	3,613
Scrap & Waste	982	3,345	240.7%	2,363
Second Hand Goods	65	23	-64.9%	-42
Military Equipment	501	1,793	258.0%	1,292
OH'S EXPORTS TO MEXICO	$245,232	$707,855	188.6%	$462,623

OHIO'S EXPORTS TO CANADA, BY INDUSTRY SECTOR

(Percent and Thousand $)

	1987	1991	1992	% CHANGE 1987–92	$ CHANGE 1987–92
AGRICULTURE, FORESTRY & FISHING	$36,331	$29,399	$79,172	117.9%	$42,842
Agriculture – crops	32,823	13,581	66,450	102.4%	33,627
Agriculture – livestock	3,296	8,171	6,921	110.0%	3,625
Forestry	212	6,160	3,067	*	2,855
Fishing & Hunting	0	1,487	2,734	--	2,734
MINING	645,668	350,067	463,213	–28.3%	–182,454
Metal Mining	667	18,623	18,771	*	18,104
Coal Mining	637,469	320,872	428,464	–32.8%	–209,005
Oil & Gas	3,325	161	2,099	–36.9%	–1,226
Non–Metallic Minerals	4,207	10,411	13,880	229.9%	9,673
MANUFACTURING	3,328,246	6,491,741	6,987,633	109.9%	3,659,386
Food Products	57,151	133,937	155,579	172.2%	98,428
Tobacco Products	0	0	0	--	--
Textile Mill Products	6,100	34,249	34,037	458.0%	27,937
Apparel	1,600	15,612	12,884	705.1%	11,284
Lumber & Wood Products	10,456	28,121	33,516	220.5%	23,059
Furniture & Fixtures	6,170	72,176	64,203	940.5%	58,032
Paper Products	44,169	85,646	95,472	116.2%	51,303
Printing & Publishing	30,261	41,297	46,321	53.1%	16,060
Chemical Products	236,625	430,330	509,752	115.4%	273,127
Refined Petroleum Products	37,133	44,802	28,781	–22.5%	–8,353
Rubber & Plastic Products	154,172	285,184	299,697	94.4%	145,525
Leather Products	728	7,201	9,264	*	8,536
Stone, Clay & Glass Products	103,496	168,320	197,560	90.9%	94,064
Primary Metal Industries	214,967	387,060	375,635	74.7%	160,668
Fabricated Metal Products	247,187	330,447	466,856	88.9%	219,669
Industrial Machinery & Computers	494,994	1,062,922	1,079,023	118.0%	584,029
Electric & Electronic Equipment	214,116	340,955	393,159	83.6%	179,044
Transportation Equipment	1,397,526	2,862,615	3,007,270	115.2%	1,609,743
Scientific & Measuring Instruments	52,191	94,958	108,048	107.0%	55,857
Miscellaneous Manufactures	19,203	65,909	70,576	267.5%	51,373
OTHER	27,067	99,253	107,993	299.0%	80,926
Scrap & Waste	8,867	30,136	34,337	287.2%	25,470
Second Hand Goods	5,553	374	788	–85.8%	–4,765
Goods Returned to Canada	0	59,439	63,021	--	63,021
Military & Other Misc. Items	12,647	9,304	9,846	–22.1%	–2,800
OH'S EXPORTS TO CANADA	$4,037,311	$6,970,460	$7,638,011	89.2%	$3,600,700

ıdicates percent changes of 1000% or more.

STATES SHARE BROADLY IN TRADE GAINS WITH MEXICO

Question:

How important is trade with Mexico on a state level?

Answer:

Mexico is our fastest growing export market in the world, and the second most common export destination for our manufactured goods. State-by-state export data continues to prove the importance of trade with Mexico. **Virtually all states benefitted from the rapid growth in U.S. exports to Mexico from 1987-92.**

The following are state export highlights of "U.S. Exports to Mexico: A State-by-State Overview, 1987-92," published by the U.S. Department of Commerce.

- **Virtually all states' exports to Mexico grew over the 1987-92 period.**

  — From 1987 to 1992, 48 of the 50 states expanded exports to Mexico.

  — In the same period, more than two thirds of the states — 38 — at least doubled exports to Mexico. Of these, 25 states more than tripled shipments to Mexico, and 13 of those more than quadrupled exports.

- **The top ten exporters to Mexico in 1992 represented diverse parts of the country.** Texas, with $18.8 billion in shipments, led all states in exports to Mexico in 1992. California, with $6.6 billion in exports to Mexico, ranked second. Other leading state exporters to Mexico were:

Arizona	($1.8 billion)	Louisiana	($753 million)
Michigan	($1.4 billion)	Pennsylvania	($742 million)
Illinois	($1.3 billion)	Ohio	($708 million)
New York	($934 million)	Florida	($664 million)

- **Major industrial states in the Midwest and the East, as well as border states, figured prominently among those with the largest increases in the dollar value of exports to Mexico.**

  — The top ten dollar increases in exports to Mexico over the 1987-92 period were registered by:

Texas	(+$12.4 billion)	Washington	(+$482 million)
California	(+$4.3 billion)	Ohio	(+$463 million)
Arizona	(+$1.2 billion)	Florida	(+$445 million)
Illinois	(+$1.1 billion)	New York	(+$422 million)
Pennsylvania	(+$561 million)	Louisiana	(+$376 million)

OHIO

The United States, Canada, and Mexico have concluded negotiations on the North American Free Trade Agreement (NAFTA), eliminating many barriers among the three countries, which will stimulate trade and economic growth in each country. The agricultural trade agreement will increase trade in both directions between Mexico and the United States. At the end of the transition period, an additional $2.0 to $2.5 billion per year of U.S. agricultural exports are likely. These exports alone translate into over 50,000 new jobs in the United States.

Ohio's leading cash receipt commodities in 1991 included soybeans, corn, dairy products, hogs, and cattle and calves. These commodities accounted for $2.9 billion, 74 percent of the State's total agricultural cash receipts. Ohio was also one of the top 5 producers of processing tomatoes and cucumbers.

Key NAFTA Provisions

Oilseeds: The current Mexican duty of 15 percent on soybeans will be lowered to 10 percent and the period when the duty is in effect will be shortened. The duty, as well as those on soybean meal and oil, will be eliminate after 10 years.

Coarse grains: Mexico will eliminate its import licensing requirement on corn and provide immediate duty-free access for 2.5 million metric tons of corn. Mexico can apply a tariff of 215 percent on imports above the quota. The quota will increase 3 percent a year, and the duty will be phased out over 15 years.

Dairy: Mexico will eliminate its import license on milk powder and provide immediate duty-free access for 40,000 metric tons. Mexico can apply a duty of 139 percent on imports above the quota. The quota will increase 3 percent a year, and the duty will be phased out over 15 years. Mexico will also eliminate import licenses on cheese and evaporated milk and replace them with tariffs of generally 20 percent.

Pork: Mexico will eliminate tariffs on live hogs and pork, generally over a 10-year period. Mexico will apply the special safeguard, a tariff-rate quota, on some live hogs and pork products.

Beef: On November 11, 1992, the Mexican government announced the imposition of ad-valorem import tariffs on live cattle and beef. The tariff is 15 percent for slaughter cattle. For bovine carcasses or half carcasses, bone-in beef cuts, or boneless beef, the tariff is 20 percent for fresh or chilled and 25 percent for frozen. Previously, the tariffs were zero. They will return to zero once NAFTA takes effect. Duties on other beef products, such as offals, and prepared/preserved beef, range from 10-20 percent and will generally be phased out over 10 years. Mexico will be exempted from restrictions under the U.S. Meat Import Law.

Tomatoes: Several new U.S. tariff lines will be created for tomatoes, including 2 new lines for cherry tomatoes. The special safeguard, a seasonal tariff rate quota, will apply to 2 different periods during the year.

Economic Implications of NAFTA

Ohio's agriculture will benefit from NAFTA. Liberalization of trade and investment barriers and faster income growth in Mexico imply enhanced opportunities for Ohio's agriculture. This means more jobs and higher incomes in agriculture and the State as a whole.

Oilseeds: Mexico's soybean imports vary depending on domestic production, domestic coarse grain demand, and availability and price of feed substitutes. Under NAFTA, U.S. soybean exports to Mexico are expected to be about 4.5 million metric tons by the end of the transition period. This is about 20 percent above what would be expected without a NAFTA. In addition, soymeal exports to Mexico will be about 700,000 tons, or about 12 percent above what would have occurred without NAFTA. For the industry, revenues are expected to be up by $400 to $500 million.

Coarse grains: The United States has traditionally supplied most of Mexico's corn imports. In the late 1980's, about 80 percent of Mexico's corn imports originated in the United States. As corn tariffs decline, later in the transition period, corn exports to Mexico will likely increase steadily. At the end of the 15-year transition period, U.S. exports of corn to Mexico will likely be about 6 million metric tons. This is almost 70 percent above the level which would have been expected had there been no NAFTA. By the end of the transition period, industry revenues for coarse grains will likely increase by $400 to $500 million due to NAFTA.

Dairy: Dairy access will improve and Mexican income and population growth will expand the market for U.S. dairy products. Mexican imports of U.S. milk powder are expected to grow by about 20,000 metric tons by the end of the transition period. At present world prices, the additional imports will add $236 to $256 million in revenue for the dairy industry. NAFTA will, therefore, increase the dairy industries revenues substantially.

Pork: Mexico has been a growing market for U.S. pork and hogs, despite high tariffs. Mexico has been the most important buyer of U.S. hogs and accounts for about one quarter of U.S. pork exports. Lower tariffs, removal of other barriers, and higher incomes in Mexico will expand its market for pork. However, reduced Mexican import barriers on grain and other feeds will reduced Mexican feed costs and make Mexican pork producers more competitive with U.S. producers. Therefore, U.S. export growth may moderate over time. Nonetheless, U.S. exports of pork and hogs to Mexico are expected to more than double by the end of the transition period. U.S. producer prices will likely be about $1.00 per hundredweight higher than without NAFTA, adding $150 to $200 million in revenue to the industry.

Beef: NAFTA will increase U.S. exports of cattle and beef products. U.S. beef trade with Mexico will nearly double with the agreement. Due to the size of Mexican imports and exports relative to the U.S. market, NAFTA will have small effects on total U.S. cattle production and prices. By the end of the transition, an increase in cattle prices by about 1 percent will create an added $200 to $400 million in revenue for the cattle and beef industry.

Vegetables: Under NAFTA, U.S. imports of some Mexican vegetables will likely increase, including cucumbers and tomatoes. Any price effects on the U.S. industry are expected to be modest and be moderated by the 10- or 15-year transition periods. U.S. exports of some vegetables, such as tomatoes are expected to increase as Mexican duties are eliminated.

The State of ILLINOIS

and the

NAFTA

- **ILLINOIS and NAFTA:** ***EXPORTS and JOBS***
- **ILLINOIS EXPORTS to MEXICO**
- **ILLINOIS EXPORTS to CANADA**
- **ILLINOIS COMPANIES:** ***A Sample in Support of NAFTA***

ILLINOIS and the NAFTA: *EXPORTS and JOBS*

• JOBS •

ILLINOIS Jobs Supported by Trade with MEXICO and CANADA - 139,600.

• EXPORTS •

ILLINOIS Exports to MEXICO and CANADA Reached $6.6 billion in 1992.

- **Illinois was one of 17 states which ranked Mexico among their top three export destinations.** Canada, our other NAFTA partner, was Illinois' top export market; Mexico was second largest.

- **28,600 jobs in Illinois in 1992 were supported by exports to Mexico.** Almost 70 percent of those jobs were created in the past five years, since Mexico began liberalizing its import regime.

- **Illinois' merchandise exports to Mexico grew 385 percent from 1987 to 1992,** rising from $278 million to $1.3 billion. Illinois was one of 13 states which more than quadrupled their exports to Mexico during this period.

- **The dollar increase in Illinois' exports to Mexico ranked fourth among all 50 states for the 1987-1992 period.**

- **Illinois ranked eighth among all states in the percentage increase in exports to Mexico over the five year period.** Nonborder states registered the greatest percentage growth in shipments to the Mexican market.

- **In 1992, Illinois ranked fifth among all 50 states and second among the North Central states in the value of exports to Mexico.** Major industrial states in the Midwest have been among those with the largest increases in the dollar value of exports to Mexico.

- **Illinois' exports to Mexico grew 385 percent from 1987 to 1992,** 292 percentage points faster than export growth to the rest of the world.

- **Illinois boosted exports of an extremely wide range of manufactured goods to Mexico over five year period.** Sectors that recorded significant gains were: industrial machinery & computers (up $394 million), transportation equipment (up $142 million), primary metal industries (up $99 million), electric & electronic equipment (up $96 million), and food products (up $89 million).

- **In 1992, Illinois' exports to Canada totalled $5.2 billion.** Illinois' exports to Canada have increased by more than 90 percent over the past five years, during which the U.S.-Canada Free Trade Agreement was implemented (January 1, 1989).

Compiled by USDOC/OM, August 1993.
Job estimate provided by USTR; refers only to jobs supported by exports of manufactured goods.

ILLINOIS' EXPORTS TO MEXICO, BY INDUSTRY SECTOR

(Percent & Thousand $)

	1987	1992	% CHANGE	$ CHANGE
IL'S EXPORTS TO MEXICO	$278,373	$1,349,283	384.7%	$1,070,910
AGRICULTURE,FORESTRY & FISHERIES	$1,323	$6,189	367.8%	$4,866
Agriculture – crops	1,183	4,681	295.6%	3,498
Agriculture – livestock	140	1,267	806.0%	1,127
Forestry	0	106	--	106
Fishing, Hunting	0	134	--	134
MINING	1,735	2,711	56.3%	976
Metal Mining	298	265	–11.2%	–34
Coal Mining	582	27	–95.4%	–555
Oil & Gas	0	0	0.0%	0
Non–Metallic Minerals	855	2,420	182.9%	1,564
MANUFACTURING	254,291	1,316,436	417.7%	1,062,144
Food Products	4,276	93,223	2080.0%	88,947
Tobacco Products	2	0	–100.0%	–2
Textile Mill Products	67	2,712	3920.5%	2,645
Apparel	414	3,650	782.6%	3,236
Lumber & Wood Products	29	3,636	12259.0%	3,606
Furniture & Fixtures	351	10,263	2826.1%	9,912
Paper Products	5,606	34,453	514.5%	28,847
Printing & Publishing	891	3,425	284.2%	2,534
Chemical Products	22,656	88,901	292.4%	66,245
Refined Petroleum Products	1,425	1,850	29.8%	425
Rubber & Plastic Products	5,242	26,346	402.6%	21,104
Leather Products	59	1,999	3284.2%	1,940
Stone, Clay & Glass Prod.	8,046	11,486	42.7%	3,440
Primary Metal Industries	10,235	109,102	965.9%	98,866
Fabricated Metal Products	5,913	72,903	1132.9%	66,990
Indus. Mach. & Computers	114,134	508,206	345.3%	394,072
Electric & Electronic Equip.	42,263	137,867	226.2%	95,604
Transportation Equipment	22,322	164,770	638.1%	142,448
Scientific & Measuring Instr.	8,969	25,605	185.5%	16,637
Miscellaneous Manufactures	1,387	16,038	1055.9%	14,650
OTHER	21,024	23,948	13.9%	2,924
Scrap & Waste	18,288	19,066	4.3%	778
Second Hand Goods	732	1,021	39.4%	289
Military Equipment	2,004	3,861	92.7%	1,857
IL'S EXPORTS TO MEXICO	$278,373	$1,349,283	384.7%	$1,070,910

ILLINOIS' EXPORTS TO CANADA, BY INDUSTRY SECTOR

(Percent and Thousand $)

	1987	1991	1992	% CHANGE 1987-92	$ CHANGE 1987-92
AGRICULTURE, FORESTRY & FISHING	**$13,005**	**$17,652**	**$17,443**	**34.1%**	**$4,437**
Agriculture – crops	4,318	7,187	9,178	112.6%	4,860
Agriculture – livestock	7,668	1,979	4,190	-45.4%	-3,478
Forestry	1,020	1,518	1,034	1.4%	14
Fishing & Hunting	0	6,968	3,041	--	3,041
MINING	**2,539**	**35,926**	**43,456**	*	**40,917**
Metal Mining	294	716	547	86.0%	253
Coal Mining	6	1,589	143	*	137
Oil & Gas	0	23,419	22,950	--	22,950
Non-Metallic Minerals	2,239	10,202	19,816	785.1%	17,577
MANUFACTURING	**2,708,559**	**5,178,986**	**5,092,508**	**88.0%**	**2,383,948**
Food Products	113,178	232,098	242,291	114.1%	129,113
Tobacco Products	1,468	211	81	-94.5%	-1,387
Textile Mill Products	4,790	12,471	13,214	175.9%	8,424
Apparel	6,104	8,318	7,148	17.1%	1,044
Lumber & Wood Products	1,573	7,636	7,765	393.5%	6,191
Furniture & Fixtures	6,986	38,210	33,187	375.0%	26,201
Paper Products	21,253	83,384	81,592	283.9%	60,340
Printing & Publishing	253,127	284,274	246,402	-2.7%	-6,725
Chemical Products	182,222	433,600	450,538	147.2%	268,316
Refined Petroleum Products	44,252	25,538	44,945	1.6%	694
Rubber & Plastic Products	75,848	227,813	211,523	178.9%	135,675
Leather Products	592	4,757	5,449	820.6%	4,857
Stone, Clay & Glass Products	39,075	64,524	65,988	68.9%	26,913
Primary Metal Industries	92,697	210,242	197,963	113.6%	105,265
Fabricated Metal Products	163,746	309,537	289,361	76.7%	125,615
Industrial Machinery & Computers	1,184,624	1,468,489	1,480,703	25.0%	296,079
Electric & Electronic Equipment	264,596	632,525	678,397	156.4%	413,801
Transportation Equipment	141,178	911,742	785,420	456.3%	644,242
Scientific & Measuring Instruments	74,864	126,075	136,187	81.9%	61,322
Miscellaneous Manufactures	36,385	97,543	114,355	214.3%	77,969
OTHER	**20,947**	**86,336**	**80,728**	**285.4%**	**59,782**
Scrap & Waste	3,445	20,179	22,845	563.2%	19,400
Second Hand Goods	1,027	1,090	987	-3.8%	-39
Goods Returned to Canada	0	53,064	42,841	--	42,841
Military & Other Misc. Items	16,475	12,003	14,055	-14.7%	-2,421
IL'S EXPORTS TO CANADA	**$2,745,051**	**$5,318,900**	**$5,234,134**	**90.7%**	**$2,489,084**

* ndicates percent changes of 1000% or more.

ILLINOIS

The United States, Canada, and Mexico have concluded negotiations on the North American Free Trade Agreement (NAFTA), eliminating many barriers among the three countries, which will stimulate trade and economic growth in each country. The agricultural trade agreement will increase trade in both directions between Mexico and the United States. At the end of the transition period, an additional $2.0 to $2.5 billion per year of U.S. agricultural exports are likely. These exports alone translate into over 50,000 new jobs in the United States.

Illinois' leading cash receipt commodities in 1991 included corn, soybeans, hogs, cattle and calves, and dairy products. These commodities accounted for $6.9 billion, 92 percent of Illinois' total agricultural cash receipts. Illinois also was one of the top 5 producers of sweet corn for processing in 1991.

Key NAFTA Provisions

Coarse grains: Mexico will eliminate its import licensing requirement on corn and provide immediate duty-free access for 2.5 million metric tons of corn. Mexico can apply a tariff of 215 percent on imports above the quota. The quota will increase 3 percent a year, and the duty will be phased out over 15 years.

Oilseeds: The current Mexican duty of 15 percent on soybeans will be lowered to 10 percent and the period when the duty is in effect will be shortened. The duty, as well as those on soybean meal and oil, will be eliminate after 10 years.

Pork: Mexico will eliminate tariffs on live hogs and pork, generally over a 10-year period. Mexico will apply the special safeguard, a tariff-rate quota, on some live hogs and pork products.

Beef: On November 11, 1992, the Mexican government announced the imposition of ad-valorem import tariffs on live cattle and beef. The tariff is 15 percent for slaughter cattle. For bovine carcasses or half carcasses, bone-in beef cuts, or boneless beef, the tariff is 20 percent for fresh or chilled and 25 percent for frozen. Previously, the tariffs were zero. They will return to zero once NAFTA takes effect. Duties on other beef products, such as offals, and prepared/preserved beef, range from 10-20 percent and will generally be phased out over 10 years. Mexico will be exempted from restrictions under the U.S. Meat Import Law.

Dairy: Mexico will eliminate its import license on milk powder and provide immediate duty-free access for 40,000 metric tons. Mexico can apply a duty of 139 percent on imports above the quota. The quota will increase 3 percent a year, and the duty will be phased out over 15 years. Mexico will also eliminate import licenses on cheese and evaporated milk and replace them with tariffs of generally 20 percent.

Economic Implications of NAFTA

Illinois' agriculture will clearly benefit from NAFTA. Liberalization of trade and investment barriers and faster income growth in Mexico imply enhanced opportunities for Illinois' agriculture. This means more jobs and higher incomes in agriculture and the State as a whole.

Coarse grains: The United States has traditionally supplied most of Mexico's corn imports. In the late 1980's, about 80 percent of Mexico's corn imports originated in the United States. As corn tariffs decline, later in the transition period, corn exports to Mexico will likely increase steadily. At the end of the 15-year transition period, U.S. exports of corn to Mexico will likely be about 6 million metric tons. This is almost 70 percent above the level which would have been expected had there been no NAFTA. By the end of the transition period, industry revenues for coarse grains will likely increase by $400 to $500 million due to NAFTA.

Oilseeds: Mexico's soybean imports vary depending on domestic production, domestic coarse grain demand, and availability and price of feed substitutes. Under NAFTA, U.S. soybean exports to Mexico are expected to be about 4.5 million metric tons by the end of the transition period. This is about 20 percent above what would be expected without a NAFTA. In addition, soymeal exports to Mexico will be about 700,000 tons, or about 12 percent above what would have occurred without NAFTA. For the industry, revenues are expected to be up by $400 to $500 million.

Pork: Mexico has been a growing market for U.S. pork and hogs, despite high tariffs. Mexico has been the most important buyer of U.S. hogs and accounts for about one quarter of U.S. pork exports. Lower tariffs, removal of other barriers, and higher incomes in Mexico will expand its market for pork. However, reduced Mexican import barriers on grain and other feeds will reduced Mexican feed costs and make Mexican pork producers more competitive with U.S. producers. Therefore, U.S. export growth may moderate over time. Nonetheless, U.S. exports of pork and hogs to Mexico are expected to more than double by the end of the transition period. U.S. producer prices will likely be about $1.00 per hundredweight higher than without NAFTA, adding $150 to $200 million in revenue to the industry.

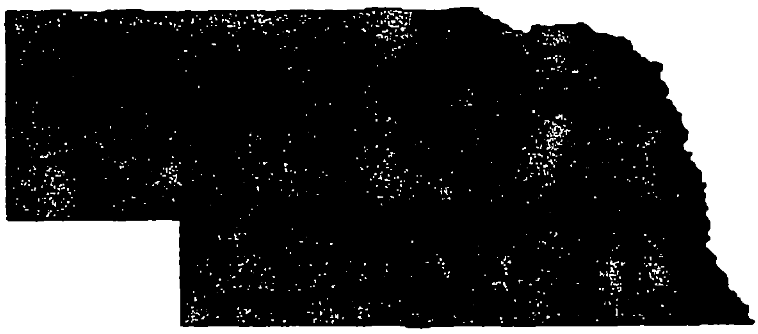
Beef: NAFTA will increase U.S. exports of cattle and beef products. U.S. beef trade with Mexico will nearly double with the agreement. Due to the size of Mexican imports and exports relative to the U.S. market, NAFTA will have small effects on total U.S. cattle production and prices. By the end of the transition, an increase in cattle prices by about 1 percent will create an added $200 to $400 million in revenue for the cattle and beef industry.

Dairy: Dairy access will improve and Mexican income and population growth will expand the market for U.S. dairy products. Mexican imports of U.S. milk powder are expected to grow by about 20,000 metric tons by the end of the transition period. At present world prices, the additional imports will add $236 to $256 million in revenue for the dairy industry. NAFTA will, therefore, increase the dairy industries revenues substantially.

The State of NEBRASKA

and the

NAFTA



- NEBRASKA and NAFTA: *EXPORTS and JOBS*
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NEBRASKA and the NAFTA: *EXPORTS and JOBS*

• JOBS •

NEBRASKA Jobs Supported by Trade with MEXICO and CANADA - 10,800.

• EXPORTS •

NEBRASKA Exports to MEXICO and CANADA Reached $405 million in 1992.

- **Nebraska was one of 17 states which ranked Mexico among their top three export destinations.** Canada, our other NAFTA partner, ranked second among Nebraska's export markets; Mexico was third largest.

- **2,700 jobs in Nebraska in 1992 were supported by exports to Mexico.** Almost 45 percent of those jobs were created in the past five years, since Mexico began liberalizing its import regime.

- **Nebraska's merchandise exports to Mexico more than doubled from 1987 to 1992,** rising from $45 million to $100 million. Nebraska was one of 38 states which more than doubled their exports to Mexico over the past five years.

- **Nebraska's exports to Mexico grew 125 percent from 1987 to 1992,** 45 percentage points faster than export growth to the rest of the world.

- **Agricultural crops** ($39 million) **and food products** ($38 million) **were Nebraska's top exports to Mexico in 1992.** These two categories together accounted for over three-fourths of the state's merchandise exports to Mexico.

- **The manufacturing sector in Nebraska saw the largest increase in exports among all of the state's industries over the five year period** (up $33 million). Categories that recorded sizeable gains were food products (from $15 million to $38 million), fabricated metal products (from $222,000 to $2 million), and industrial machines & computers (from $981,000 to $6 million).

- **In 1992, Nebraska's exports to Canada totalled $305 million.** Nebraska's exports to Canada grew over 45 percent in the past five years, during which the U.S.- Canada Free Trade Agreement was implemented (January 1, 1989).

Compiled by USDOC/OM, August 1993.
Job estimate provided by USTR; refers only to jobs supported by exports of manufactured goods.

NEBRASKA'S EXPORTS TO MEXICO, BY INDUSTRY SECTOR

(Percent & Thousand $)

	1987	1992	% CHANGE	$ CHANGE
NE'S EXPORTS TO MEXICO	$44,546	$100,073	124.6%	$55,527
AGRICULTURE,FORESTRY & FISHERIES	$19,551	$43,008	120.0%	$23,457
Agriculture – crops	18,592	38,711	108.2%	20,119
Agriculture – livestock	959	4,297	348.2%	3,338
Forestry	0	0	0.0%	0
Fishing, Hunting	0	0	0.0%	0
MINING	3	0	–100.0%	-3
Metal Mining	0	0	0.0%	0
Coal Mining	0	0	0.0%	0
Oil & Gas	0	0	0.0%	0
Non–Metallic Minerals	3	0	–100.0%	-3
MANUFACTURING	24,352	56,958	133.9%	32,605
Food Products	15,362	38,291	149.3%	22,929
Tobacco Products	0	0	0.0%	0
Textile Mill Products	0	12	––	12
Apparel	31	48	51.8%	16
Lumber & Wood Products	33	84	155.5%	51
Furniture & Fixtures	0	1,222	––	1,222
Paper Products	186	704	278.6%	518
Printing & Publishing	377	1,147	204.0%	769
Chemical Products	552	1,657	200.2%	1,105
Refined Petroleum Products	0	19	––	19
Rubber & Plastic Products	2,217	1,718	–22.5%	–499
Leather Products	0	0	0.0%	0
Stone, Clay & Glass Prod.	0	147	––	147
Primary Metal Industries	337	660	95.9%	323
Fabricated Metal Products	222	2,056	825.9%	1,834
Indus. Mach. & Computers	981	5,700	481.3%	4,719
Electric & Electronic Equip.	2,234	1,555	–30.4%	–679
Transportation Equipment	1,736	1,402	–19.2%	–334
Scientific & Measuring Instr.	82	440	435.9%	358
Miscellaneous Manufactures	3	97	2932.6%	94
OTHER	640	107	–83.2%	–533
Scrap & Waste	27	84	210.2%	57
Second Hand Goods	611	0	–100.0%	–611
Military Equipment	2	23	945.5%	21
NE'S EXPORTS TO MEXICO	$44,546	$100,073	124.6%	$55,527

NEBRASKA'S EXPORTS TO CANADA, BY INDUSTRY SECTOR

(Percent and Thousand $)

	1987	1991	1992	% CHANGE 1987–92	$ CHANG 1987–9
AGRICULTURE, FORESTRY & FISHING	**$3,062**	**$1,632**	**$4,010**	**31.0%**	**$94**
Agriculture – crops	668	1,042	3,264	388.9%	2,59
Agriculture – livestock	2,394	590	523	–78.1%	–1,87
Forestry	0	0	212	--	21
Fishing & Hunting	0	0	10	--	1
MINING	**610**	**8**	**867**	**42.3%**	**25**
Metal Mining	126	0	0	–100.0%	–12
Coal Mining	0	0	0	--	--
Oil & Gas	0	0	629	--	62
Non–Metallic Minerals	484	8	238	–50.7%	–24
MANUFACTURING	**204,759**	**241,836**	**293,227**	**43.2%**	**88,46**
Food Products	15,455	76,921	92,013	495.4%	76,55
Tobacco Products	0	0	0	--	--
Textile Mill Products	457	434	301	–34.2%	–156
Apparel	53	374	396	642.5%	343
Lumber & Wood Products	163	491	1,032	532.7%	869
Furniture & Fixtures	1,728	6,420	8,704	403.6%	6,976
Paper Products	147	1,651	1,064	623.0%	917
Printing & Publishing	28,177	14,310	9,176	–67.4%	–19,000
Chemical Products	9,837	12,726	16,267	65.4%	6,430
Refined Petroleum Products	52	58	143	177.0%	91
Rubber & Plastic Products	17,331	7,363	8,683	–49.9%	–8,648
Leather Products	1,057	2,019	3,230	205.6%	2,173
Stone, Clay & Glass Products	96	331	430	348.7%	334
Primary Metal Industries	4,444	8,125	8,941	101.2%	4,496
Fabricated Metal Products	12,757	13,013	14,821	16.2%	2,064
Industrial Machinery & Computers	60,432	38,696	38,337	–36.6%	–22,095
Electric & Electronic Equipment	5,986	8,307	10,390	73.6%	4,404
Transportation Equipment	40,637	40,441	66,105	62.7%	25,468
Scientific & Measuring Instruments	5,731	9,061	10,831	89.0%	5,100
Miscellaneous Manufactures	217	1,092	2,362	986.7%	2,144
OTHER	**254**	**5,016**	**6,874**	*	**6,619**
Scrap & Waste	111	710	596	435.1%	485
Second Hand Goods	18	109	69	291.1%	51
Goods Returned to Canada	0	1,346	2,239	--	2,239
Military & Other Misc. Items	125	2,850	3,969	*	3,844
NE'S EXPORTS TO CANADA	**$208,685**	**$248,493**	**$304,978**	**46.1%**	**$96,294**

ndicates percent changes of 1000% or more.

NEBRASKA

The United States, Canada, and Mexico have concluded negotiations on the North American Free Trade Agreement (NAFTA), eliminating many barriers among the three countries, which will stimulate trade and economic growth in each country. The agricultural trade agreement will increase trade in both directions between Mexico and the United States. At the end of the transition period, an additional $2.0 to $2.5 billion per year of U.S. agricultural exports are likely. These exports alone translate into over 50,000 new jobs in the United States.

Nebraska's leading cash receipt commodities in 1991 included cattle and calves, corn, hogs, soybeans, sorghum grain, and wheat. These commodities accounted for $8.2 billion, 94 percent of the State's total agricultural cash receipts. Nebraska also was one of the top 5 producers of dry beans in 1991.

Key NAFTA Provisions

Beef: On November 11,1992, the Mexican government announced the imposition of ad-valorem import tariffs on live cattle and beef. The tariff is 15 percent for slaughter cattle. For bovine carcasses or half carcasses, bone-in beef cuts, or boneless beef, the tariff is 20 percent for fresh or chilled and 25 percent for frozen. Previously, the tariffs were zero. They will return to zero once NAFTA takes effect. Duties on other beef products, such as offals, and prepared/preserved beef, range from 10-20 percent and will generally be phased out over 10 years. Mexico will be exempted from restrictions under the U.S. Meat Import Law.

Coarse grains: Mexico will eliminate its import licensing requirement on corn and provide immediate duty-free access for 2.5 million metric tons of corn. Mexico can apply a tariff of 215 percent on imports above the quota. The quota will increase 3 percent a year, and the duty will be phased out over 15 years. Mexico will immediately eliminate its 15 percent duty in effect on sorghum imports between May 16 to December 15. Sorghum already enters duty-free the rest of the year.

Pork: Mexico will eliminate tariffs on live hogs and pork, generally over a 10-year period. Mexico will apply the special safeguard, a tariff-rate quota, on some live hogs and pork products.

Oilseeds: The current Mexican duty of 15 percent on soybeans will be lowered to 10 percent and the period when the duty is in effect will be shortened. The duty, as well as those on soybean meal and oil, will be eliminate after 10 years.

Wheat: Mexico will eliminate its import license on wheat and replace it with a 15 percent duty. This duty will be phased out over 10 years.

Dry beans: Mexico will eliminate its import licensing requirement on dry beans and provide immediate duty-free access for 50,000 metric tons. Mexico can apply a tariff of 139 percent on imports above the quota. The quota will increase 3 percent a year, and the duty will be phased out over 15 years.

Economic Implications of NAFTA

Nebraska's agriculture will clearly benefit from NAFTA. Liberalization of trade and investment barriers and faster income growth in Mexico imply enhanced opportunities for Nebraska's agriculture. This means more jobs and higher incomes in agriculture and the State as a whole.

Beef: NAFTA will increase U.S. exports of cattle and beef products. U.S. beef trade with Mexico will nearly double with the agreement. Due to the size of Mexican imports and exports relative to the U.S. market, NAFTA will have small effects on total U.S. cattle production and prices. By the end of the transition, an increase in cattle prices by about 1 percent will create an added $200 to $400 million in revenue for the cattle and beef industry.

Coarse grains: The United States has traditionally supplied most of Mexico's corn imports. In the late 1980's, about 80 percent of Mexico's corn imports originated in the United States. As corn tariffs decline, later in the transition period, corn exports to Mexico will likely increase steadily. At the end of the 15-year transition period, U.S. exports of corn to Mexico will likely be about 6 million metric tons. This is almost 70 percent above the level which would have been expected had there been no NAFTA. U.S. exports of other coarse grains are expected to rise under NAFTA, encouraged by increased Mexican demand for livestock feed as a result of income growth and lower grain prices in Mexico. By the end of the transition period, industry revenues for coarse grains will likely increase by $400 to $500 million due to NAFTA.

Pork: Mexico has been a growing market for U.S. pork and hogs, despite high tariffs. Mexico has been the most important buyer of U.S. hogs and accounts for about one quarter of U.S. pork exports. Lower tariffs, removal of other barriers, and higher incomes in Mexico will expand its market for pork. However, reduced Mexican import barriers on grain and other feeds will reduced Mexican feed costs and make Mexican pork producers more competitive with U.S. producers. Therefore, U.S. export growth may moderate over time. Nonetheless, U.S. exports of pork and hogs to Mexico are expected to more than double by the end of the transition period. U.S. producer prices will likely be about $1.00 per hundredweight higher than without NAFTA, adding $150 to $200 million in revenue to the industry.

Oilseeds: Mexico's soybean imports vary depending on domestic production, domestic coarse grain demand, and availability and price of feed substitutes. Under NAFTA, U.S. soybean exports to Mexico are expected to be about 4.5 million metric tons by the end of the transition period. This is about 20 percent above what would be expected without a NAFTA. In addition, soymeal exports to Mexico will be about 700,000 tons, or about 12 percent above what would have occurred without NAFTA. For the industry, revenues are expected to be up by $400 to $500 million.

Wheat: Mexico's wheat imports have been variable over the past decade, ranging from 50,000 tons in 1982 to about 1.2 million tons in 1988. Under NAFTA, U.S. wheat exports are expected to increase. NAFTA is expected to have small aggregate benefits for the U.S. wheat industry over the long term, with industry revenue up at least $30 million.

Dry beans: U.S. dry bean exports to Mexico are variable. In recent years, Mexico took roughly 25-30 percent of U.S. exports, but in 1991 the share was only 9 percent. NAFTA will provide improved export opportunities to Mexico for the U.S. dry bean industry. U.S. dry bean exports to Mexico could almost double in 15 years, after Mexico completely phases out the tariff. Revenues for the industry would be expected to increase about 2 percent or $15 million annually by the end of the transition period.

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published that to put us in a competition

NATIONAL COUNCIL OF NEGRO WOMEN, INC
46TH NATIONAL CONVENTION AWARDS BANQUET
OCTOBER 30, 1993
ALEXIS HERMAN's NOTES

There is no duty more urgent than that of giving thanks and so tonight I say a special thank yyou to our beloved Dorothy, my beloved Dorothy and the National Council of Negro Women. I was a member of NCNW at 13 growing up with Mrs. Bastidns and I have had for the last 20 years the priviledge of knowing as my counselor, teacher and mother, Dr. Dorothy Height. She has been a ____ of _____, a ___ and ____________, in the is White House ______ for a President will __________ of the ______in __________ and a __________who is ____________it ________for duty; who first _________me to ________ to __________to _____ in 1977 the ______ why and organize __________ other a ______ its to __________ tradition. Why remember Alexis we make ______. I have been blessed throughtout my life, it ____________ things but by by _____, support ______to when ________ is given such is ________. My mother _______ is me I fundmental principles _______ important--The __________ where you __________ are _____________ the ____________ of the ______________ that ______________ is ______ to you are try compare me to ________ to serve and to ________ there _____ that we ________. The ________ of an families, the _________ of an coming and the ______________if an ___________. My ___________ the _______ his ___________ where _____ and to remember is the prophet _____ that _______ is _____ and visible and so you ___inspire me to ___ to _____ and to serve of to ____ _____ ____ me love and ______ the ____ ________ _______, the _____ of an _____ and the _________ of our ________.

I am _____ _________ ______ I say ______ ________ ______. We do it for our children and we do _____ a _____ that _____.

I ___ duty ____ urgent in the _____ its thats and so ____. I say a spirit but you to our beloved Dorothy and to the _____up _____ write us _____ I and I _____ _____ the _____ and be list 30 zero of ___ as my ______ Dr. Dorothy. She has been a ___ if ________ a ______ _____ a light and a ___ my life ______. __________ he is the White House ____. ____ first I would not have come to Washington as ____ to _____ when for ____ and everything. ________ of the ______ my life. I am not ____ by ______ thnigs but my love and _______, the but to ______ much is ______ but in is required.

Clinton Presidential Records
Digital Records Marker

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This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

National Council Of Negro Women, Inc.

The 46th National Convention

October 30, 1993
Washington Hilton Hotel
Washington, DC

Awards Banquet

African American Women: Shaping The Future

The National Convention of the National Council of Negro Women ◆ October 24-26, 1940 ◆ Washington, DC

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ALEXIS HERMAN's NOTES on NAFTA
STATE OPINION LEADER
NOVEMBER 9, 1993

-Job loss

-commodities ______

- Latin America

-Co-owner Tri Sales Ill.

-Kathleen _____
and Daniel Bayles
American Express Travel

- Andre Harris NC

THE WHITE HOUSE

WASHINGTON

AGENDA

THE NORTH AMERICAN FREE TRADE AGREEMENT
WHITE HOUSE BRIEFING

OLD EXECUTIVE OFFICE BUILDING
ROOM 450
NOVEMBER 9, 1993

***

WELCOME
Alexis Herman
Assistant to the President
Director of Public Liaison

*

REMARKS

10:30

Secretary Lloyd Bentsen
Department of Treasury

10:55 NAFTA

Richard Feinberg
Special Assistant to the President
Senior Director for Inter-American Affairs

Bill Daley
Special Counsellor to the President for
NAFTA

*

SUCCESS STORY

David Boyles
Vice President
American Express Travel Related Services

Kathleen Kaminski
Co-Owner
Triseal Corporation

***

PRESIDENT BILL CLINTON

***

THE WHITE HOUSE

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OLD EXECUTIVE OFFICE BUILDING
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PRESIDENT BILL CLINTON

***

THE WHITE HOUSE

WASHINGTON

NC

November 8, 1993

STATE OPINION LEADER NAFTA BRIEFING

TO: Alexis Herman
DATE: Tuesday, November 9, 1993
LOCATION: 450 Old Executive Office Building
TIME: 10:00 AM - 12:00 noon
FROM: Doris Matsui

I. PURPOSE

This is a briefing for approximately 100 leaders from Arkansas, California, Georgia, Kansas, Louisiana, Missouri, New York, North Carolina, Oklahoma, Utah, and South Carolina about the benefits and importance of the North America Free Trade Agreement (NAFTA). This is the eleventh in a series of state NAFTA briefings. We have given briefings to leaders from New England (Massachusetts, New Hampshire and Maine), New Jersey, North Carolina, Maryland, Virginia, Alabama, Georgia, California, Texas, Tennessee, Arizona, Kentucky, Louisiana, New York, Connecticut, Illinois, Nebraska, Ohio, Florida, Washington, and Minnesota.

II. BACKGROUND

NAFTA has been defined by its opponents in a negative way as a job loser. In order to get beyond the large organizations that oppose NAFTA, we must get to the people who can actually make the argument for NAFTA -- the people outside the beltway, the citizenry in their individual communities.

This briefing gives us an opportunity to present the case to the people who actually vote and who could spread the message at the grassroots level.

This group consists of supporters as well as those who are still undecided, therefore it is important to emphasize how NAFTA will create jobs for this country.

III. PARTICIPANTS

The President
Secretary Bentsen
Sandy Berger
Bill Daley

Richard Feinberg

IV. PRESS PLAN

Open. There will be a stakeout following the briefing.

V. SEQUENCE OF EVENTS

- You will enter the holding room of Room 450 of the Old Executive Office Building. [Seated in the first two chairs will be two speakers to make brief remarks about their personal benefits of the NAFTA.

- You will introduce Secretary Bentsen

- Secretary Bentsen will give remarks. Questions and answers.

- You will introduce Sandy Berger.

- Sandy Berger will give remarks. Questions and answers.

- You will introduce the President and Bill Daley.

- The President will enter the stage and he will sit in the third chair. Bill Daley will go directly to the podium.

- Bill Daley will give remarks and introduce David Boyles, Senior Vice President of American Express Travel Related Services and Kathleen Kaminski, Co-owner of Triseal Corporation.

- David Boyles will make brief remarks

- Kathleen Kaminski will make brief remarks and introduce the President.

- The President will give remarks. Questions and answers.
  [Note: The President should take questions toward the front of the room where the participants will be seated. The back of the room is for the press.]

- Close

VI. ATTACHMENTS

- Agenda

- Participants

- Other speakers talking points

- Other supportive material

TO: ALL INTERESTED PARTIES
FROM: DAN WEXLER
SUBJECT: SCHEDULE FOR NOVEMBER 9 NAFTA BRIEFING
DATE: NOVEMBER 8, 1993

Following is the revised schedule for tomorrow's (11/9) NAFTA state opinion leaders briefing. We will still be in OEOB 450.

10:30 am- 10:35 am	Alexis Herman Welcome and Introduction
10:35 am- 10:55 am	Secretary Bensten Remarks and Q & A
10:55 am	Alexis Herman will introduce Sandy Berger
10:55 am- 11:20 am	Sandy Berger (or Richard Feinberg) Remarks and Q & A
11:20 am	Alexis Herman will annouce the President and Bill Daley. When the President enters the stage he will sit in the third chair. Bill Daley will go directly to the podium.
11:20 am 11:25 am	Bill Daley will give brief remarks and introduce David Boyles and Kathleen Kaminski.
11:25 am- 11:27 am	David Boyles Remarks
11:27 am- 11:30 am	Kathleen Kaminski Remarks and introduction of the President
11:30 am- 11:40 am	The President Remarks
11:40 am 11:50 am	The President Q & A
11:50 am 12:00 pm	The President will greet the participants and depart.

SECRETARY BENTSEN

Opinion Leader Briefing
Talking Points

November 9, 1993

Without NAFTA, We Postpone Confronting Problems that Dog Our Flagship Industries.

- Worldwide, software piracy costs U.S. industries $10 billion a year in lost revenue.
- In Mexico alone last year an estimated $293 million in sales was lost to piracy of copyrighted works, including software, books and recorded music.
- **NAFTA HELPS PUT AN END TO THIS.** This agreement provides unprecedented protection for intellectual property. It safeguards the risk that entrepreneurs from this country have taken to make investments in technology for our future.

IMMIGRATION

- Only improved economic and living conditions in Mexico will end the immigration problem.
  - As President Salinas said, "**Mexicans prefer to live in their own country. And this is so when they find the proper economic and job conditions to do so.**" (Interview with David Frost).
  - Three studies indicate that NAFTA will help stem to flow of illegal immigration.
  - Commission for the Study of International Migration study in 1986.
  - A University of California study in 1991 concluded that between 250,000 and 1.1 million fewer illegal immigrants will come to the United States if NAFTA is passed.
  - Even a group that is opposed to NAFTA, the Economic Policy Institute, concluded in 1991 that NAFTA would reduce illegal immigration from Mexico by as many as 1.6 million people by the turn of the century.
- Without an opportunity to participate in the benefits of free trade, hard-working Mexicans will continue to move to the United States.

THE SIDE AGREEMENTS

- **Cooperating to Clean-Up the Environment** - NAFTA: the first international trade agreement to even mention the word "environment."

  - For this reason NAFTA endorsed by National Wildlife Federation, the World Wildlife Fund, the Audubon Society, the Environmental Defense Fund, the National Resources Council and Conservation International.

  - NADBank: Providing the Resources for the Environmental Clean-Up

    - Initial capitalization of $225 million from both Mexico and the U.S.

    - At least $2 billion of initial loans and guarantees certified by the Border Environmental Cooperation Commission (BECC).

    - Leveraging power of more than $20 billion over five years. -- Esteban Torees, U.S. House of Representatives, October 27, 1993.

  NADBank has intensified the support of the environmental groups.

    - Peter A.A. Berle, President of the National Audubon Society stated: **"The creation of NADBank is essential to address the horrible conditions affection the human environment not only along the US-Mexican border but throughout the region."**

LABOR STANDARDS

- With NAFTA, we create the mechanism through which to address unfair trading practices in Mexico. Never before in the history of international trade negotiations has the United States reserved the right to force another country to enforce its own labor standards. THAT'S THE FUTURE. A future where the United States' standards on fair labor practices are the accepted norm.

SAMUEL BERGER

Opinion Leader Briefing
Talking Points

November 9, 1993

NAFTA AND THE WORLD LEADERSHIP OF THE U.S.

- The United States has encouraged free trade and market reform in Russia, Eastern Europe and Latin America. **We cannot shrink from this path of economic and market reform by backing away from the North American Free Trade Agreement.**

- President Salinas and leaders throughout Latin America are struggling to bring about change in his country. Passing NAFTA is an integral part of this program of change.

ECONOMIC SECURITY.

- NAFTA helps to level the playing field with our international competitors. By locking a comparative advantage in Mexico and opening the door to the rest of the Latin American market, we secure a market for our quality U.S.-made products.

- **NAFTA Eliminates Cumbersome Mexican Laws Requiring U.S. Producers to Manufacture in Mexico:** NAFTA eliminates a Mexican law that requires U.S. companies to manufacture in Mexico if they want to sell in Mexico. The so-called "Auto Decree" forces U.S. jobs south because auto-makers must locate plants in Mexico to sell their cars there.

- **Tough Rules of Origin Reserve the Benefits of NAFTA for Americans:** NAFTA's tough rules of origin require 62.5% North American content to qualify for NAFTA benefits. This ensures that Mexico will not become a mere export platform for non-North American producers.

JOBS AT HOME.

- NAFTA Creates More Jobs at Home: GM recently announced plans to move 1,000 jobs back from Mexico to Lansing, Michigan.

  - The Department of Commerce reports that **exports were responsible for almost all of the new manufacturing jobs in the U.S. from 1987-1992. In 1990, these exports provided a record 7.2 million jobs for American workers accounting for 7.4 percent of all the civilian jobs in our economy and 17.4 percent of our manufacturing jobs.**

- **Jobs tied to exports are high-paying, high quality jobs where employees make 17 percent more than the average U.S. worker.** Office of the U.S. Trade Representative.

IF NAFTA FAILS.

- Our position in the GATT negotiations is severely weakened.
- Our leadership role in the world is challenged by the Japanese who are not afraid to make the difficult choices today, in order to reap tremendous returns tomorrow.
- We surrender an important market to economic competitors.
- We send a message to the world that we are more concerned about the past than the future.
- We turn our back on an economic partnership with Mexico and the Latin America. Worse, we risk returning to the intra-American animosity of the past.

WILLIAM M. DALEY

Opinion Leader Briefing
Talking Points

November 9, 1993

You will deliver brief remarks at 11:20.

You will be introducing the President after Alexis has introduced the CEO's and they have had a turn to speak.

- We continue to make progress on Capitol Hill and we have momentum.
  - Rep. Pelosi
  - Rep. English
  - Rep. Calvert
  - Rep. Goodlatte
- We are still short.
- Clear-up a misconception: NAFTA opponents have a slogan that says, "NOT THIS NAFTA." They say this as if there is another NAFTA somewhere down the way. This simply is not true. This is the ONLY NAFTA.
  - If we fail to pass this agreement -- an agreement endorsed by every living President, every living Secretary of State, every living Commerce Secretary -- regardless of party -- it's over.
- Let me clear up another error in sloganiering. The opponents of NAFTA shout "Stop shipping the jobs of hardworking Americans down to Mexico: stop NAFTA." But the fact is that jobs are going to Mexico precisely because we do not have NAFTA. Mexico's tariffs make it impossible to sell in Mexico unless you produce in Mexico. NAFTA eliminates tariffs and makes it possible to sell U.S. products in Mexico.
- **We only have a week to counter this demagoguery. We need your help in getting the message out to the people of this country on NAFTA's benefits.**
- (SEE ATTACHED CHART FOR SPECIFIC DATA ON EACH STATE REPRESENTED).

(OPTIONAL TALKING POINTS TO BE USED IF THE ISSUE OF PEROT IS RAISED)

- The people who know Ross Perot best know he is wrong on NAFTA.

- Ross Perot's son knows the benefits of free trade with Mexico. He said that free trade **"will benefit the United States economy by expanding trade opportunities, lowering prices, increasing competition and improving the ability of the United States companies to exploit economies of scale."**

  He also said that the Alliance Corridor, that is being built with Perot's millions, **"will act as a 'hub' for free trade. The North American Free Trade Agreement will increase the flow of goods to the north and south."**

- Tom Luce, one of Ross Perot's closest advisers, has said, **"If Congress were to reject this agreement, it would damage our economy and worsen our growing immigration problem. IT WOULD BE A FOREIGN POLICY <u>DISASTER</u>."**

  He also said that **"trade restrictions" like those Perot is pushing, "are a recipe for disaster."**

TRISEAL CORPORATION

November 2, 1993

SUBJECT: A SMALL BUSINESS'S VIEW ON NAFTA'S IMPACT

Triseal Corporation is a manufacturer of Oil Seals for Trucks, Trailers and Buses. Our Manufacturing, Administrative and Warehousing Facility is in Hebron, Illinois . We are located approximately 60 miles Northwest of Chicago in McHenry County, near the Illinois-Wisconsin border.

Triseal was founded in 1985 with the assistance of a loan from the U.S. Small Business Administration. Triseal is owned and headed by our President/CEO Patricia Wales. We currently employ approximately 75 people in a variety of jobs, most of which are involved in the manufacture of our products.

Despite the fact that our three largest competitors are all part of billion dollar conglomerates, we have grown every year of our existence, by identifying market areas that are under served. We deliver a superior product, produced by an experienced staff, with the help of dedicated suppliers from Illinois and Wisconsin.

Five years ago we targeted the Canadian Market as one with great potential. Today Triseal's sales to Canada comprise over ten percent of our total. This effort has been greatly helped by the Canadian Trade Agreement which reduced duties on exports to Canada.

Two years ago we began an effort to develop a market for our products in Mexico. We were encouraged by discussions of a future free trade agreement with Mexico. In Mexico we found an ideal situation for selling our products. The market was then supplied with our specialty products by factories located in Mexico, but owned by our U.S. based competitors. We found that not only could we produce a vastly superior product from our Hebron, Illinois Factory, but that the Mexican customers quickly recognized this and placed an added value on our product because it is "MADE IN THE U.S.A.".

We have used these advantages and developed a specific marketing program for the growing Mexican market. The result of this investment has been that sales to Mexico have gone from ZERO two years ago to now being 25% of Triseal's total volume. Currently we estimate that no fewer than 20 out of our 75 employees has a job, salary and health benefits because of our sales to Mexico.

We have accomplished this despite having a ten percent disadvantage (current Mexican duty on our products) against our Mexican competitors. The passage of NAFTA will reduce the duties on our products eventually to zero. By Taking advantage of this "level playing field" and the growing Mexican market, we estimate that **within three years, sales to Mexico will grow five times and be half of Triseal's total volume.** To meet this demand **we will add 75-100 jobs at our Illinois facility.** We can only guess how this increase will impact our many suppliers throughout Illinois and Wisconsin.

11920 Price Road • Hebron, IL 60034 • Telephone (815) 648-2473 • Fax (815) 648-2528

If NAFTA does not pass, many people have stated that its failure will not severely hamper trade with Mexico and that future negotiations can produce a "better NAFTA". From our discussions with our customers and travels to Mexico, we have knowledge to believe that this attitude is naive and destructive. The Mexican economy will be dealt a severe blow by the failure to ratify NAFTA. The most likely consequence will be a return to Mexico's restrictive trade policies of the past and not a return to the bargaining table. This means that not only will we miss the growth opportunity of a lifetime, but that much of what we have gained (20 jobs) will be lost.

The irony of the situation this; With NAFTA we can use our existing facility, staff and suppliers in Hebron, Illinois to manufacture our products for Mexico competitively. Without NAFTA the only way Triseal will be able to access the Mexican Market is to build, staff and supply a plant in Mexico.

We know that Triseal is not large and thus may be viewed as insignificant. We believe however, that our situation is not unique. There have to be hundreds, if not thousands of small, private businesses like Triseal, that use experienced American Workers, and Quality Suppliers to manufacture Superior Products. These AMERICAN MADE PRODUCTS can and will win customers in a growing Mexican Market opened by NAFTA.

We are asking our Representatives to give us the chance to prove that our employees and suppliers can work together to manufacture our products better than anyone else in the world. Please let us start with Mexico by voting for NAFTA.

Sincerely,

David Kaminski

David G. Kaminski
GENERAL MANAGER

NAFTA Talking Points for David Boyles and Marc Day

- As USA*NAFTA's State Captain for Utah, you know where I stand on the issue of NAFTA. However, I personally wanted to come to Washington, DC to drive home the significance of this historic trade agreement to American Express, Utah, and the U.S. economy.

- Our Travelers' Cheques operations are based in Salt Lake City where we employ over 1,500 people who handle all aspects of our T/C business.

- Companies like mine have to compete in our own market here and abroad every day of the week. Major changes in the U.S. and world economies driven by globalization and new technologies create these new challenges, but also new opportunities.

- This is certainly true of Mexico and of all Latin America. These markets hold enormous potential for American Express and we look forward to operating (and competing) there. In fact, Mexico is one of our top international markets already; Latin America as a whole, is as well.

- While American Express has had a presence in Mexico since the mid-1800's, NAFTA will permit us, for the first time, to offer the full range of travel management and financial services in Mexico that we offer in the U.S. We will be eligible to obtain a bank license which will substantially lower our cost of doing business there. (At this time, nearly all banks, securities firms, and insurance companies are prohibited from operating in the Mexican market. NAFTA changes all this.)

- Specifically, with a bank license, we'd be able to offer a revolving credit card (Optima), sell insurance on the Card, and IDS would be able to sell mutual funds to the Mexican market.

- But American Express stands to benefit from more than just access to Mexico's financial services sector.

- We anticipate substantial growth in travel and tourism which will be good for both countries, as well as good for American Express and the entire travel and tourism sector.

- Travel and tourism as a single industry generates nearly 5 million jobs directly and another 6 million indirectly, making travel and tourism one of the largest employers. In 37 states, it is among the top employers.

- In the U.S., Mexicans are the fifth largest tourist group to come to the U.S., with over 1.5 million Mexicans visiting the U.S. last year -- and this does not include border traffic (which would make Mexico the second largest tourist group). As the Mexican economy grows with NAFTA, so too will the number of Mexican tourists and business travelers coming to the U.S.

- In fact, both Marriott and Sheraton hotels estimate that the average Mexican spends $175 per person per day on food and lodging while in the U.S. If you multiply that by 1.5 million you get a sense of how much revenue Mexican tourists generate for the U.S. economy through travel and tourism.

- With increased travel, we expect to see increased demand for our Travelers' Cheques, which ultimately will result in job growth at our operating center in Salt Lake City. While it is difficult for us to quantify the exact number of jobs that will be created by NAFTA, we do anticipate growth.

- I strongly believe that NAFTA is a job creator and a good deal for the U.S.

- As a member of senior management in a major American company which has had to go through a painful reassessment and restructuring to survive in the new global economy, I deeply believe that the NAFTA not only will be an important contributor to future U.S. economic growth, but will also send a strong signal to U.S. business that investing in the future will not be undercut by actions of our Congress or the Administration.

Attendees:
NAFTA Briefing, Nov 10, 1993

Mr. William Armfield, IV
Vice Chairman
Unifi, Incorporated
Greensboro, NC

Ms. Deborah Bayle
Vice President, Administrative Services
Salt Lake Chamber of Commerce
Salt Lake City, UT

Mr. David Lee Blankenship
President and Director-External Affairs
Rockwell International Corporation
Tulsa, OK

Mr. David Boyles
Senior Vice President
American Express Travel Related Services
Salt Lake City, UT

Mr. Patrick Bradsha
Partner
Barber, Bradsha and Vernon
Pittsboro, NC

Mr. David Brodsky
Partner
Schultz, Roth and Zabel
New York, NY

Mr George G. Brooks
Vice President - Strategic Assignments
[illegible]en-Bradley Company
[illegible]waukee, WI

Mr. Joseph Si Brown
President
Bruce Foods Corporation
New Iberia, LA

Ms. Carol Thompson Cole
Director of Environmental Affairs
RJR Nabisco
Washington, DC

Mr. Keith Cooke
Investment Advisor
Banyon, Rock and Talent
Hillsborough, NC

Mr. Peter Cooke
President
PSC Development Company
Salt Lake City, UT

Mr. Clinton R. Culpepper
Director of Publicity
Columbia Tristar Home Video
Burbank, CA

Mr. Marc Day
Director of Public Affairs
Salt Lake City, UT

Mr. Dan Donaldson
President
Donaldson's Registered Jewelers
Topeka, KS

[illegible]Terry Drake
[illegible]eral Manager
[illegible]ard of Public Utilities in Kansas City
Kansas City, KS

Mr. Christopher Drumm
Administration Assistant
Delaware Port Authority
Philadelphia, PA

Mr. Manuel Duran
President
Duran Travel Enterprise, Limited
New Rochelle, NY

Mr. Larry Dwyer, Jr.
President
Westchester County Association
White Plains, NY

Mr. Stuart Dye
Chief Executive Officer
Graham and James International Trade Law Firm
Washington, DC

Mr. Barney Ebers
President and Chief Executive Officer
LDDS Communications
Jackson, MS

Mr. Alfonso Fanjul
Chairman and CEO
Flo Sun, Incorporated
Palm Beach, FL

Mr. Edward Flynn, Jr.
Resident Manager
FMC Corporation
Lawrence, KS

Dr. Bernard Franklin
President
Livingstone College
S[illegible]sbury, NC

Mr. Edwin Friedman
Vice President, Worldwide Publicity
Columbia Tristar Home Video
Burbank, CA

Mr. Dennis Fulk
President
Missouri Soy Bean Association
Platte City, MO

Mr. Jack Garner
President
Sunburst Bank
Jackson, MS

Mr. Duane B. Garrett
Hanson, Bridgett, Marcus, Vlahos & Rudy
San Francisco, CA

Mr. Jack Gibson
Executive Director
Livestock and Poultry Commission
Little Rock, AR

Mr. Glen Gladney
Technical Manager
AT&T
Naperville, IL

Mr. John Proctor Goff
Executive Director
Red River Council on Alcohol and Drug Abus
Texarkana, TX

Mr. James Gonzales
[illegible]utive Director
[illegible]n Coalition of LaRaza
Sandy, UT

Mr. Bob Grady
Trustee
Environmental Defense Fund
San Francisco, CA

Mr. Jon Halpern
Chief Executive Officer
Halpern Enterprises
Tarrytown, NY

Mr. Andrea Harris
President
North Carolina Institute of Minority
Economic Development
Durham, NC

Mr. John Hayes
Chairman, President and Chief
Executive Officer
KPL, A Western Resources Company
Topeka, KS

Ms. Antoinette Helgason
Chairman & Chief Executive Officer
Helgason Company
New York, NY

Mr. Richard Helgason
Chairman
DLC in New York
New York, NY

Mr. Jared Hernandez
President
Utah Hispanic Chamber of Commerce
Salt Lake City, UT

Mr. George Holland
Executive Director of Government
Relations
thwestern Bell Corporation,
ansas Division
Little Rock, AR

Mr. Allan Huston
President and Chief Executive
Officer
Pizza Hut Worldwide
Wichita, KS

Mr. Kenneth Jarin, Esquire
Partner
Montgomery, McCracken, Walker and
Rhodes
Philadelphia, LA

Mr. Jack Jordan
Vice President
Jordan Lumber Company
Mount Gilead, NC

Mr. David Kaminski
General Manager
Triseal Corporation
Hebron, IL

Ms. Kathleen Kaminski
Co-Owner
Triseal Corporation
Hebron, IL

Mr. Charles Kleinhagen
President
Haldex Corporation
Blue Springs, MO

Mr. Robert Knight
Secretary
Kansas Department of Commerce and
Housing
Topeka, KS

Charu T. Kopkhar
ensboro, NC

Mr. Charles Kruse
President
Missouri Farm Bureau Federation
Jefferson City, MO

Mr. Jim Leonhart
Vice President
Madison, WI

Mr. Jack Lewis
Vice President
Paperboard Packaging Council
Washington, DC

Mr. Emon Mahoney, Jr.
President
Arkansas Oklahoma Gas
Fort Smith, AR

Mr. Randy Martin
President
Manhattan Chamber of Commerce
Manhattan, KS

Mr. Jerry McBride
President
Mississippi Manufacturing
Association
Jackson, MS

Mr. Charles McDaniel
President
IBEW, Local 1658
Pine Bluff, AR

Mr. John McIntyre
President
Paperboard Packaging
hington, DC

Mr. Randall C. Meacham
Director, Industrial Affairs
AT&T
Columbia, SC

Mr. John Medina
,

Ms. Irene Mendez
Graham and James
Oakton, VA

Mr. Tom Misiak
President
Falk Corporation
Milwaukee, WI

Mr. David Allen Morris
President
DMA
Camden, AR

Mr. Darby Neaves
Ogden, AR

Mr. William Neaves
Owner
Neaves Nature Works
Ogden, AR

Mr. Allen Norris
ector Plant Operations
stol Meyers Squibb
Morrisville, NC

Mr. John Palmer, Jr.
Chief Executive Officer and Chairman
Mobile Telecommunication Technology
Jackson, MS

Mr. Charles Pizzi
Presidet
Greater Philadelphia Chamber of
Commerce
Philadelphia, PA

Mr. John Rainey
Chairman of the Board
Santee Cooper Power Unitility
Columbia, SC

Mr. Nicholas Rashford
Chairman, Delaware Port Authority
President, Saint Joseph's University
Philadelphia, PA

Mr. Craig Rhodes
Chief Financial Officer
American West Analytical
Laboratories
Salt Lake City, UT

Mr. Glen Riekhof
President
Missouri Corn Growers
Concordia, MO

Mr. Jon Rogers
Chairman
Charter Financial Group
Greeneville, SC

Mr. Camel Sharoubim
President
HPG Industries, Incorporated
lis, NY

Mr. Harris H. Simmons
President
Zion's First National Bank
Salt Lake City, UT

Mr. Mark Sonnenfeld
Attorney at Law
Morgan, Lewis and Bockius
Philadelphia, PA

Ms. Susan Stanton
President
Payless Cashways
Kansas City, MO

Mr. Lawrence Steckline
Mid-America Agriculture Network
Wichita, KS

Mr. Thomas Stout
President
Stout Group Limited
McMurray, PA

Mr. William Titelman, Esquire
Shareholder
Klett, Lieber, Rooney, and Shorling
Harrisburg, PA

Mr. K. Wayne Trotter
Managing Director
World Trade Center,
Greenville-Spartanburg
Greer, SC

Mr. Henry Truslow
bury Textile Mills, Incorporated
nbury, PA

Mr. Donald Unruh
Division Manager
Automotive Controls Corporation
Independence, KS

Mr. Harold Vogt
President and Chief Executive Officer
Westchester Chamber of Commerce
White Plains, NY

Ms. Jane von Kaenel
St. Louis, MO

Mr. James N. Wade
Chairman
Wade Industries
Philadelphia, PA

Mr. Matt Wall
Partner
Holt, Spencer, Longest and Wall
Burlington, NC

Mr. Jack Ward
Senior Vice President
Sara Lee Corporation
Winston-Salem, NC

Dr. Graham Watt
Executive Assistant to the President
Livingstone College
Salisbury, NC

Mr. Mark Weingarta
Worby, Delbello, Donnellan and Weingarten
te Plains, NY

Mr. Andrew Whisenhunt
President
Arkansas Farm Bureau Federation
Little Rock, AR

Mr. David Wilson
Executive Vice President
First Security Corporation
Salt Lake City, UT

Mr. Tim Witsman
President
Wichita Area Chamber of Commerce
Wichita, KS

Mr. Larry Womble
Alderman
City Council
Winston-Salem, NC

Mr. C. Courtney Wood
President
Independent Insurance Agents of America
Edmond, OK

Mr. David Worby
Attorney
Worby, Delbello, Donnelline, and Wingarten
White Plains, NY

STATE BY ST/ SUMMARY
OPINION LEADER BRIEFING
November 9, 1993

	Jobs Supported by Exports to Mexico in 1992.	Increase in Merchandise Exports to Mexico: 1987-92.	Percentage Increase in exports to Mexico, 1987-92.	State Industries posting gains in exports to Mexico from 1987-92.	State's top exports to Mexico in 1992.
AK	4,900	$80M	214%	Transportation equipment ($39M), furniture and fixtures ($1.5M), lumber and wood products ($0.97M).	Transportation equipment ($40M), food products ($17M), agricultural crops ($15M), chemical products ($9M), industrial machinery/computers ($7M), primary metal industries ($6M).
CA	89,600	$4.3B	191%	Food products ($262M), apparel ($160M), chemical products ($221M).	Electric/electronic equipment ($1.5B), industrial machinery/computers ($1B), transportation equipment ($389M), fabricated metal products ($345M), primary metal products ($340).
GA	8,100	$356M	329%	Scientific and measuring instruments ($57M), industrial machinery/computers ($44M), transportation equipment ($40M), textile mill products ($28M).	Food Products ($15M), Scientific and Measuring Instruments ($60M).
KS	7,900	$188M	150%.	Food products ($60M), transportation equipment ($28M), industrial machinery/computers ($12M), electric/electronic equipment ($12M), chemical products ($4M).	Agricultural crops ($148M), food products ($76M).
LA	3,100	$376M	100%	Agricultural crops ($233M), food products ($69M), refined petroleum products ($40M), industrial machinery/computers ($20M), paper products ($15M).	Agriculture ($397M), Chemical Products ($104), Food Products ($79M).
MO	11,300	$140M	70%	Chemicals ($15M), primary metal industries ($11M), textile mill products ($2.4M).	Agricultural crops ($81M), food products ($61M), electric/electronic equipment ($42M), industrial machinery/computers ($35M).
NY	15,500	$422M	82%	Furniture and fixtures ($4.7M), apparel ($18M), textile Mill products ($23M).	Primary metal industries ($162M), industrial machinery/computers ($144M), scientific and measuring instruments ($122M), electric/electronic equipment ($105M).
NC	9,000	$345M	365%	Textile mill products ($30M), primary metal industries ($15M), lumber and wood products ($2.9M).	Industrial machinery and computers ($110M), chemical products ($89m), apparel ($47M), and electric/electronic equipment ($36M).
OK	3,600	$83M	186%	Primary metal industries ($25.2m), printing and publishing ($15M), and transportation equipment ($9.3M).	Primary metal industries ($26M), electric/electronic equipment ($24M), printing and publishing ($16m), industrial machines/computers ($15M), rubber and plastic products ($11M).
SC	3,300	$96M	295%	apparel ($4M), scientific and measuring instruments ($4.9M), and transportation equipment ($4.4M).	Rubber and plastic products ($29M), chemical products ($22M), industrial machinery/computers ($21M), paper products ($19m), and textile mill products ($10M).
UT	300	$27M		Food products ($4.8M), scientific and measuring instruMents ($0.8M), metal mining ($0.8M).	Scientific and measuring instruments ($7M), food products ($5M), industrial machines and equipment ($3M), primary metal industry ($3M), rubber and plastic products ($1M).

QUESTION #1: Dennis Longoria
Director, Government Relations
Central Power and Light Company
Texas

I AM FROM TEXAS AND AM VERY CONCERNED ABOUT THE BORDER ENVIRONMENT. HOW WILL NAFTA AFFECT THE BORDER?

RESPONSE: NAFTA insures that economic development will not come at the expense of the environment in several ways.

First, the side agreement on the environment will put pressure on Mexico to effectively enforce their environmental laws.

Second, the North American Development Bank, or NADBANK, will provide between $2 and $3 billion in loans for border infrastructure projects.

Third, the World Bank recently approved a $2 billion loan for environmental clean-up in Mexico.

Finally, and probably most importantly, NAFTA provides us with an unprecedented opportunity to cooperate with Mexico to solve problems we both share. Only by working together will we be successful.

Question #2: James Wade
President
Wade Industries, Philadelphia

AFRICAN AMERICANS EXPERIENCE HIGHER UNEMPLOYMENT, LOWER PAY, AND ARE OFTEN THE FIRST VICTIMS OF JOB DISPLACEMENT. WE ARE, PERHAPS, THE MOST VULNERABLE MEMBERS OF SOCIETY. WHY SHOULD AFRICAN AMERICANS SUPPORT NAFTA?

RESPONSE: My first thought is that NAFTA creates growth and jobs, and a no vote on NAFTA is a vote for no growth. Certainly, African Americans will benefit from the new jobs NAFTA creates. And thats probably a large part of the reason Congresswoman Eddie Bernice Johnson supports NAFTA--she represents a mostly minority district in South Dallas.

Secondly, cities have a lot to gain from an open trading system, because open markets grow manufacturing jobs. Mexico is our second largest consumer of manufactured goods, much of which is produced in cities.

Finally, NAFTA will reduce illegal immigration--and illegal immigrants often place pressure on low-end U.S. wages.

ALEXIS HERMAN's NOTES on NAFTA
OCTOBER 21, 1993
CALIFORNIA STATE LEADERS

-Change vs ______

-______

-Global making
Jobs = Exports
We _____ ___

-3 ___
Ten and ___ of what has happen during the past 12 years. ____ the ___ of serving and
_____

-Issues

1. We _____ NAFTA for everything but has gone ______
2. For 8 different jobs in ________ day never___ of ___ when today.
All of these issues not ______ put to the ____ for when ____
3. Wage Rates
____
4. Will make if ___ ___ area invested. Help ___ Help ourselves

-__________

- Transportation Tax
_ ______ Issue
What is the importance
__________ to help us write illegal immegrants

- Calif
90,000 jobs 1970 to men

-18 of the 20 _____ industries get a ______
-______________________________

-Target consumer market

-370 million
6.5 ___
100,000 jobs by 1995

-Issues

5. Relief from tariffs

-tax and
- one _____

-Free trade and
1986-- Independent Congressional ____ creative of new and better jobs only ____ to immegrant issues

1991 ____ Calif
Free Trade with Mexico will reduce immegrants of 250-1.1 million people

-______ transfer/ _____ reforms

- Say _____ model
______ Property

-35% of all competiters ____

THE WHITE HOUSE

WASHINGTON

AGENDA

THE NORTH AMERICAN FREE TRADE AGREEMENT
WHITE HOUSE FORUM

OLD EXECUTIVE OFFICE BUILDING
ROOM 450

OCTOBER 21, 1993

WELCOME
Alexis Herman
Assistant to the President
Director of Public Liaison

*

BRIEFING
Lloyd Bentsen
Secretary of the Treasury

BRIEFING
Ron Brown
Secretary of Commerce

BRIEFING
Janet Reno
United States Attorney General

*

BREAK

*

BRIEFING
Bill Daley
Special Counsellor to the
President for NAFTA

***

VICE PRESIDENT AL GORE

***

NAFTA Briefing -- CALIFORNIA STATE LEADERS

450 Old Executive Office Building
11:30 AM - 12:00 noon, Thursday, October 21, 1993

EVENT

o You give the closing remarks for this briefing. Secretary Bentsen, Secretary Ron Brown, Attorney General Reno and Bill Daley are the other four speakers who will be briefing the 100 participants from California about the benefits of the North America Free Trade Agreement. This is the fifth in a series of state NAFTA briefings. To date, leaders from New Jersey, North Carolina, Alabama, Maryland, Georgia, Virginia and New England (Massachusetts, New Hampshire and Maine) have received briefings. We anticipate the following members of Congress to drop by at some point during the briefing: Senator Dianne Feinstein and Representatives Anthony Beilensen, Howard Berman, Ken Calvert, Randy Cunningham, David Dreier, Calvin Dooley, Vic Fazio, Bob Filner, Michael Huffington, Jay Kim, Robert Matsui and Nancy Pelosi.

YOUR ROLE AND CONTRIBUTION

- o This group consists of supporters as well as those who are still undecided, therefore it is important to emphasize how NAFTA will create jobs for this country. You should encourage participants to go to the Hill.

LOGISTICS

- o You go directly to the holding room and Alexis will announce you onto the stage.
- o You give remarks and take questions.
- o You depart same way as entered.

PROGRAM NOTES

- o This is a series of briefings we are conducting to educate leaders from their states about the importance of NAFTA.
- o NAFTA has been defined by its opponents in a negative way as a job loser. In order to get beyond the large organizations that oppose NAFTA, we must get to the people who can actually make the argument for NAFTA -- the people outside the beltway, the citizenry in their individual communities.

- This briefing gives us an opportunity to present the case to the people who actually vote and who could spread the message at the grassroots level.

ATTACHMENTS

- Talking points
- Overview
- Agenda
- Participants

VICE PRESIDENT GORE
CALIFORNIA OPINION LEADERS FORUM
TALKING POINTS
October 21, 1993

NAFTA: An Opportunity to Create a Cooperative and Peaceful World for Our Children

- There are two fundamentally different paths for the world to take in the coming years. Two paths that will determine the extent to which we are students of, rather than slaves to history.

  - The path of isolationism, segregation, exclusion, and separatism is a path well trodden. It is a path of fear and anxiety -- where cowardly demagogues prey on misinformation and prejudice. The result at the end of this cycle is economic decline. Our experience in this regard is Smoot-Hawley.

  - The other is a path of courage -- it is a path dedicated to idea that barriers between people and ideas stifles the human spirit. It is a path that seeks to bring people of all backgrounds, traditions, and cultures together in a spirit of cooperation.

  - We are struggling to continue on the path of courage and unity in the face of the powerful forces that push us toward distrust and segregation.

    - In Europe, the vision of an economic union now competes with the reality of ethnic cleansing.

    - In the Republics of the Former Soviet Union those reformers dedicated to political freedom are battling the anarchist vision of fragmentation and violence.

    - And in Mexico, this same struggle takes place -- between those who want to a future of freedom and those who would drag Mexico back down into a patriarchy of protectionism.

  - President Salinas is struggling to bring about change in his country. NAFTA is an integral part of this program of change.

    - This is the key to the immigration problem that has plagued both of our countries.

    - This is the key to improving labor standards.

- This is the key to harmonizing environmental standards upward.

- NAFTA helps us achieve this vision. Rejecting NAFTA exacerbates our divisions.

I WANT TO TALK TO YOU ABOUT TWO VISIONS OF THE FUTURE: THE FUTURE WITH NAFTA AND THE FUTURE WITHOUT NAFTA.

ENVIRONMENT

- With NAFTA, we have a ground-breaking environmental agreement with Mexico -- an agreement that never before seen in the history of international relations -- that creates the mechanism for cleaning up the environment along the border.

  - o That's why NAFTA has been endorsed by the National Wildlife Federation, the World Wildlife Fund, the Audubon Society, the Environmental Defense Fund, the National Resources Defense Council and Conservation International.

- Without NAFTA, the border area will continue to deteriorate into an environmental wasteland.

THE AUTOMOBILE INDUSTRY

- With NAFTA, our American automobile companies will be able to ship directly to Mexican consumers who are hungry for such American products as mini-vans and pickup trucks. In the first two years, the auto companies anticipate $2 billion in added sales to Mexico.

- Without NAFTA, our international competitors in the auto industry to move-in and export <u>their</u> cars to Mexico. Meanwhile, our workers are locked-out of this important market -- denied the opportunity to prove the quality of their work.

INTERNATIONAL TRADE

- With NAFTA, the United States, Canada and Mexico will create the world's largest consumer market with 370 million people and $6.5 trillion in production. The strength of this free-trade zone will provide the clout needed to compete with European and Asian trading blocs.

- Without NAFTA, our credibility as a reliable trading partner is crippled. NAFTA fallout will affect GATT and other international agreements making it difficult to make progress with our trade deficit problems.

JOBS

- With NAFTA, there will be 200,000 new jobs related to exports that don't exist now.

- Without NAFTA, the 700,000 jobs that currently exist as a result of the increasing velocity of trade with Mexico will be jeopardized as Mexico turns to our international competitors for liberal trade relationships.

COMPUTERS AND HIGH TECH

- With NAFTA, we have the opportunity to create a new market for American computer products. While we sold 160,000 computers to Mexico three years ago, we'll be poised to sell over 600,000 computers to Mexico next year if NAFTA is passed.

- Without NAFTA, we will be without a mechanism to address the over $293 million sales lost to computer piracy in Mexico. That's why Bill Gates of Microsoft is for this agreement.

We must understand how important NAFTA is to our nation. As the President said yesterday, NAFTA is about preparing and building for the future. We cannot be dissuaded from this task by a longing for the past.

Members of Congress need to hear from their constituents about the stakes of NAFTA for the United States. I urge you to contact them right now. This debate will be over in five weeks.

VICE PRESIDENT GORE
CALIFORNIA OPINION LEADERS FORUM

OVERVIEW

October 21, 1993

Approximately 100 Californians will take part in our on-going "Opinion Leaders" Forum on NAFTA. The briefing is designed to provide as much information to key opinion leaders in California, including business leaders, academics, and environmentalists, as possible so that they will become vocal advocates of the agreement.

Though the "Opinion Leader" briefings have been extremely successful in focusing attention on NAFTA, it is difficult gauge the extent to which those who are participating are, themselves, spreading the word about the benefits of lowering tariffs and eliminating trade barriers. In order to transfer as much energy to those gathered, it is critical that the presentations continue to be as forceful and personable as possible. The more direct the message, the more those gathered will realize their stake in NAFTA, and the more likely they are to have their voice heard in this debate.

The following is the order of speakers:

9:30-9:35	Alexis Herman Introduction of Secretary Bentsen
9:35-10:00	Secretary Bentsen NAFTA: An Unprecedented International Treaty Creating Opportunities for the United States.
10:00-10:30	Secretary Brown NAFTA: Business Opportunities for California.
10:30-11:00	Attorney General Reno NAFTA: An Opportunity to Make Progress in International Law.
11:00-11:20	BREAK
11:20-11:30	Special Counsellor Daley NAFTA: The Final Push
11:30-12:00	The Vice President NAFTA: An Unequaled Opportunity to Create a Cooperative and Peaceful World for Our Children.

The State of CALIFORNIA

and the

NAFTA

- **CALIFORNIA and NAFTA: *EXPORTS and JOBS***
- **CALIFORNIA EXPORTS to MEXICO**
- **CALIFORNIA EXPORTS to CANADA**

CALIFORNIA and the NAFTA: *EXPORTS and JOBS*

• JOBS •

CALIFORNIA Jobs Supported by Trade with MEXICO and CANADA - 189,400.

• EXPORTS •

CALIFORNIA Exports to MEXICO and CANADA Reached $13.9 billion in 1992.

- **California was one of 17 states which ranked Mexico among their top three markets. Canada, our other NAFTA partner, ranked second among California's export markets; Mexico was third largest.**

- **89,600 jobs in California in 1992 were supported by exports to Mexico.** Over 45 percent of those jobs were created in the past five years, since Mexico began liberalizing its import regime.

- **California's merchandise exports to Mexico almost tripled from 1987 to 1992,** rising from $2.3 billion to $6.6 billion.

- **California ranked second among all states in the value of 1992 exports to Mexico.**

- **During the past five years, California's exports to Mexico rose by $4.3 billion, the second largest dollar increase among the states.** Border states have been among those with the largest increases in the dollar value of exports to Mexico.

- **California's exports to Mexico grew 191 percent from 1987 to 1992,** 96 percentage points faster than the state's export growth to the rest of the world.

- **California's exports to Mexico in 1992 were broad-based.** The top export categories were: electric & electronic equipment ($1.5 billion), industrial machinery & computers ($1.0 billion), transportation equipment ($389 million), fabricated metal products ($345 million), and primary metal industries ($340 million).

- **California boosted exports of a wide range of manufactured goods to Mexico over the past five years. Eighteen of the twenty major industries that comprise manufacturing registered export growth.** Sectors with important gains included: food products (from $53 million to $315 million), apparel (from $29 million to $189 million), and chemical products (from $91 million to $312 million).

- **In 1992, California's exports to Canada totalled $7 billion.** California's exports to Canada more than doubled over the past five years, during which the U.S.-Canada Free Trade Agreement was implemented (January 1, 1989).

Compiled by USDOC/OM, August 1993.
Job estimate provided by USTR; refers only to jobs supported by exports of manufactured goods

CALIFORNIA'S EXPORTS TO MEXICO, BY INDUSTRY SECTOR

(Percent & Thousand $)

	1987	1992	% CHANGE	$ CHANGE
CA'S EXPORTS TO MEXICO	$2,257,263	$6,556,924	190.5%	$4,299,661
AGRICULTURE, FORESTRY & FISHERIES	$36,928	$123,066	233.3%	$86,138
Agriculture – crops	34,040	76,702	125.3%	42,662
Agriculture – livestock	2,239	34,281	1430.9%	32,042
Forestry	607	4,133	581.2%	3,527
Fishing, Hunting	42	7,949	18925.1%	7,908
MINING	48	20,080	41865.9%	20,032
Metal Mining	4	201	5525.3%	198
Coal Mining	17	195	1074.4%	178
Oil & Gas	24	13,379	55757.8%	13,355
Non–Metallic Minerals	4	6,305	168565.8%	6,301
MANUFACTURING	2,147,661	6,356,491	196.0%	4,208,830
Food Products	53,462	315,040	489.3%	261,578
Tobacco Products	0	4	--	4
Textile Mill Products	13,504	62,266	361.1%	48,763
Apparel	29,210	189,329	548.2%	160,119
Lumber & Wood Products	90,595	288,417	218.4%	197,822
Furniture & Fixtures	18,569	88,573	377.0%	70,004
Paper Products	68,878	215,762	213.3%	146,884
Printing & Publishing	9,541	36,769	285.4%	27,227
Chemical Products	90,604	312,029	244.4%	221,425
Refined Petroleum Products	349,879	276,501	–21.0%	–73,378
Rubber & Plastic Products	111,698	296,213	165.2%	184,515
Leather Products	6,496	31,583	386.2%	25,087
Stone, Clay & Glass Prod.	33,466	87,729	162.1%	54,264
Primary Metal Industries	100,603	340,344	238.3%	239,742
Fabricated Metal Products	131,943	344,658	161.2%	212,715
Indus. Mach. & Computers	385,123	1,035,918	169.0%	650,795
Electric & Electronic Equip.	430,761	1,497,660	247.7%	1,066,899
Transportation Equipment	80,858	389,629	381.9%	308,771
Scientific & Measuring Instr.	78,868	278,587	253.2%	199,719
Miscellaneous Manufactures	63,603	269,479	323.7%	205,876
OTHER	72,627	57,287	–21.1%	–15,340
Scrap & Waste	18,813	17,772	–5.5%	–1,041
Second Hand Goods	8,863	4,127	–53.4%	–4,736
Military Equipment	44,951	35,388	–21.3%	–9,563
CA'S EXPORTS TO MEXICO	$2,257,263	$6,556,924	190.5%	$4,299,661

CALIFORNIA'S EXPORTS TO CANADA, BY INDUSTRY SECTOR

(Percent and Thousand $)

	1987	1991	1992	% CHANGE 1987-92	$ CHANGE 1987-92
AGRICULTURE, FORESTRY & FISHING	$312,283	$746,456	$732,400	134.5%	$420,117
Agriculture - crops	297,692	719,847	703,835	136.4%	406,143
Agriculture - livestock	10,073	4,468	3,879	-61.5%	-6,195
Forestry	3,801	1,628	2,125	-44.1%	-1,675
Fishing & Hunting	717	20,513	22,561	*	21,844
MINING	15,954	16,160	13,030	-18.3%	-2,924
Metal Mining	81	25	11	-86.4%	-70
Coal Mining	0	0	0	--	--
Oil & Gas	0	54	66	--	66
Non-Metallic Minerals	15,873	16,081	12,953	-18.4%	-2,920
MANUFACTURING	3,011,609	5,619,420	6,383,046	111.9%	3,371,438
Food Products	183,823	477,262	528,931	187.7%	345,108
Tobacco Products	37	40	63	70.7%	26
Textile Mill Products	5,798	20,307	23,319	302.2%	17,521
Apparel	10,577	42,643	52,498	396.3%	41,921
Lumber & Wood Products	31,253	56,555	53,691	71.8%	22,438
Furniture & Fixtures	9,724	40,696	46,946	382.8%	37,222
Paper Products	14,648	40,149	40,523	176.6%	25,875
Printing & Publishing	42,754	111,757	116,850	173.3%	74,096
Chemical Products	109,297	170,139	206,939	89.3%	97,642
Refined Petroleum Products	23,244	46,850	31,472	35.4%	8,229
Rubber & Plastic Products	56,408	110,875	121,660	115.7%	65,252
Leather Products	2,922	18,333	20,002	584.6%	17,080
Stone, Clay & Glass Products	30,406	41,199	48,270	58.8%	17,864
Primary Metal Industries	58,889	122,695	137,415	133.3%	78,526
Fabricated Metal Products	97,926	329,533	253,357	158.7%	155,432
Industrial Machinery & Computers	976,799	1,650,340	1,921,751	96.7%	944,952
Electric & Electronic Equipment	536,757	1,150,656	1,389,176	158.8%	852,419
Transportation Equipment	462,622	617,677	778,276	68.2%	315,654
Scientific & Measuring Instruments	317,927	435,436	447,163	40.6%	129,236
Miscellaneous Manufactures	39,799	136,277	164,746	313.9%	124,946
OTHER	64,302	128,050	180,501	180.7%	116,199
Scrap & Waste	1,216	20,709	25,403	1989.1%	24,187
Second Hand Goods	4,928	8,906	15,976	224.2%	11,048
Goods Returned to Canada	0	61,420	80,823	--	80,823
Military & Other Misc. Items	58,158	37,015	58,300	0.2%	141
CA'S EXPORTS TO CANADA	$3,404,148	$6,510,086	$7,308,978	114.7%	$3,904,830

* Indicates percent changes of 1000% or more.

CALIFORNIA

The United States, Canada, and Mexico have concluded negotiations on the North American Free Trade Agreement (NAFTA), eliminating many barriers among the three countries, which will stimulate trade and economic growth in each country. The agricultural trade agreement will increase trade in both directions between Mexico and the United States. At the end of the transition period, an additional $2.0 to $2.5 billion per year of U.S. agricultural exports are likely. These exports alone translate into over 50,000 new jobs in the United States.

California's leading cash receipt commodities in 1991 included dairy products, greenhouse and nursery products, cattle and calves, grapes, cotton, tomatoes, lettuce, hay, almonds, strawberries, chicken eggs, and oranges. They accounted for $12.3 billion, 69 percent of California's total agricultural cash receipts. California is also a major producer of broilers, walnuts, plums and prunes, turkeys, broccoli, lemons, carrots, avocados, peaches, and rice.

Key NAFTA Provisions

Dairy: Mexico will eliminate its import license on milk powder and provide immediate duty-free access for 40,000 metric tons. Mexico can apply a duty of 139 percent on imports above the quota. The quota will increase 3 percent a year, and the duty will be phased out over 15 years. Mexico will also eliminate import licenses on cheese and evaporated milk and replace them with tariffs of generally 20 percent.

Beef: On November 11, 1992, the Mexican government announced the imposition of ad-valorem import tariffs on live cattle and beef. The tariff is 15 percent for slaughter cattle. For bovine carcasses or half carcasses, bone-in beef cuts, or boneless beef, the tariff is 20 percent for fresh or chilled and 25 percent for frozen. Previously, the tariffs were zero. They will return to zero once NAFTA takes effect. Duties on other beef products, such as offals, and prepared/preserved beef, range from 10-20 percent and will generally be phased out over 10 years. Mexico will be exempted from restrictions under the U.S. Meat Import Law.

Citrus: Several new U.S. tariff lines will be created for oranges, tangerines, and grapefruit to provide the maximum transition period for the more sensitive shipping periods, yet grant Mexico improved access when U.S. product is not in the market. U.S. duties will be phased out either immediately or over 5 or 10 years, depending on the season.

Noncitrus fruit: For fresh apples, peaches and nectarines, Mexico's 20-percent tariff on imports from the United States will be phased out over 10 years. For imports of fresh apples from the United States, Mexico will implement a special agricultural safeguard, a tariff-rate

Grapes: U.S. grape exports are likely to increase once Mexico's import licenses are removed and tariffs are eliminated immediately or phased out over 10 years. U.S. grapes will be competitive in Mexico, especially during the period when Mexican grapes are not being marketed.

Greenhouse and Nursery Products: NAFTA will have a relatively small effect on the U.S. greenhouse and nursery industry. Mexico has the potential to increase exports of nursery products to the United States. However, NAFTA only restores Mexico's competitive position relative to its major competitors, Colombia and Bolivia, who gained U.S. duty-free status under the Andean Trade Preference Act. Since California is a major producer of greenhouse and nursery products, it is likely that the slower growth in production because of additional imports due to NAFTA will impact California to a greater extent than the national average for greenhouse and nursery products.

Tomatoes: Fresh tomatoes are Mexico's most important vegetable export to the United States. Imports of fresh tomatoes will increase under NAFTA. Any price effects will be moderated by the 10 year phase in period, and will be tempered by the safeguards.

Other vegetables: Both California and Mexico are major vegetable producers. However, due to the seasons their produce are ready for marketing, their industries are mainly complementary. Mexico markets its vegetables in the U.S. mostly in the winter months, while California produce is in the markets mostly during the spring and summer. During these seasons, California ships onions, tomatoes, broccoli, lettuce, cauliflower, and melons to Mexico.

Citrus: NAFTA will provide new export opportunities for U.S. fresh oranges in Mexico, especially for high-quality fruit in urban areas. The U.S. will likely increase exports of fresh oranges to Mexico but continue to be a net importer from Mexico. Since it is the primary producer of fresh table oranges, California will likely gain from liberalization of the orange trade.

Noncitrus fruit: Among the fruits, apples, peaches, and pears should be significant beneficiaries. Substantial increases in Mexican income due to NAFTA will increase domestic demand for fruit. This increase will reduce the amount available for exports to the United States from Mexico and increase Mexican imports of U.S. produce. By the end of the transition, revenues are expected to increase $37 million annually for the U.S. peach industry, $18 million annually for the apple industry, and $9 million annually for the pear industry. As a major producer of apples, peaches, and pears, California is in a very advantageous position to benefit from increased fruit exports.

Cotton: Expanded opportunity for cotton exports relate to growth in the Mexican textile and apparel industries and larger consumer incomes. Significant gains are expected for the U.S. cotton industry from expanded export and more U.S. mill use. California, as the second largest cotton producer, will benefit from the increased demand for cotton exports.

Office of Economics--United States Department of Agriculture Updated, August 1993.

quota. For fresh pears imported from the United States, Mexico will immediately cut the 20-percent tariff to 15 percent, and phase out this reduced tariff over 5 years.

Grapes: Mexico will eliminate its import licensing requirement on grapes and replace it with a 20 percent duty from June 1 to October 14. U.S. imports will enter duty-free the rest of the year.

Tomatoes: Several new U.S. tariff lines will be created for tomatoes, including 2 new lines for cherry tomatoes. The special safeguard, a seasonal tariff rate quota, will apply to 2 different periods during the year.

Eggs: Mexico will eliminate its import licenses on eggs and provide immediate duty-free access for 6,500 metric tons of eggs (about 9.6 million dozen). Mexico can apply a 50 percent duty on imports above the quota. The quota will increase 3 percent a year, and the duty will be phased out over 10 years.

Economic Implications of NAFTA

California agriculture will clearly benefit from NAFTA. Liberalization of trade and investment barriers and faster income growth in Mexico imply enhanced opportunities for California agriculture. This means more jobs and higher incomes in agriculture and the State as a whole. In addition, California should benefit from its close proximity to Mexico, advantages in technology and infrastructure, already established production and marketing arrangements with Mexico, as well as the complementary aspect of its production with Mexican production. Since California is adjacent to Mexico, it is likely that the increased benefits from additional NAFTA trade will benefit California to a greater extent than average national gains for all agricultural products.

Dairy: Dairy access will improve and Mexican income and population growth will expand the market for U.S. dairy products. Mexican imports of U.S. milk powder are expected to grow by about 20,000 metric tons by the end of the transition period. At present world prices, the additional imports will add $236 to $256 million in revenue for the dairy industry. NAFTA will, therefore, increase California's dairy industries revenues substantially. Since California is a major producer of dairy, it is likely that the increased benefits from additional NAFTA trade will benefit California to a greater extent than average national gains for dairy.

Beef: NAFTA will increase U.S. exports of cattle and beef products. U.S. beef trade with Mexico will nearly double with the agreement. Due to the size of Mexican imports and exports relative to the U.S. market, NAFTA will have small effects on total U.S. cattle production and prices. By the end of the transition, an increase in cattle prices by about 1 percent will create an added $200 to $400 million in revenue for the cattle and beef industry. Since California is adjacent to Mexico, it is likely that the increased benefits from additional NAFTA trade will benefit California to a greater extent than average national gains for beef.

Office of Economics–United States Department of Agriculture Updated. August 1993.

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Wine:

-- Mexico's tariff on wine today is 20%. The U.S. tariff ~~on~~ is approximately 3%.

-- With NAFTA, Mexico's tariff is reduced to zero over 10 years. Without NAFTA, Mexico's tariff stays in place. The U.S. tariff also phases out over 10 years.

-- Mexico's 20% duty on U.S. sparkling wine will receive immediate duty free access. Mexico's duties on wine coolers are phased out over 6 years.

-- Deputy USTR Yerxa has stated that the U.S. will request from Mexico an accelerated tariff reduction -- under special provisions in the agreement -- as soon as the NAFTA is in effect.

Calif

- o In 1992, after many trade barriers had been eased, the United States had a $5.7 billion <u>surplus</u> with Mexico. Now over 700,000 jobs in our economy are dependent on exports to Mexico. My friends, that is money coming into our country providing jobs and income that wouldn't have existed without the Mexican market. NAFTA infinitely increases these opportunities.

- What does our labor force have to look forward to from NAFTA?

  - o **A Unprecendent International Side Agreement on Labor --** An Unprecedented Part of an International Trade Agreement designed to level the playing field for American workers.

    - <u>With NAFTA</u>, we create the mechanism through which to address unfair trading practices in Mexico. Never before in the history of international trade negotiations has the United States reserved the right to force another country to enforce its own labor standards. THAT'S THE FUTURE. A future where the United States' standards on fair labor practices are the accepted norm.

    - <u>Without NAFTA</u>, we will continue to be powerless as Mexican firms take advantage of their workers.

  - o **A High Wage Future**

    - <u>With NAFTA</u>, we provide opportunities for growth in our high wage export industries.

      The Department of Commerce reports that **exports were responsible for almost all of the new manufacturing jobs in the U.S. from 1987-1992. In 1990, these exports provided a record 7.2 million jobs for American workers accounting for 7.4 percent of all the civilian jobs in our economy and 17.4 percent of our manufacturing jobs.**

      Jobs tied to exports are high-paying, high quality jobs where employees make 17 percent more than the average U.S. worker. Office of the U.S. Trade Representative.

    - <u>Without NAFTA</u>, we shackle our workers to a domestic market and let our international competitors corner the Mexican market.

      In California, exports to Mexico brought in $6.6 billion into the California economy, a 191 percent growth since 1987.

Issues

5. Relief from Tariff

- Electronic and Electrical Equipment exports to Mexico brought in over $1.4 million into California in 1992, a 250% increase since 1987.

- Exporting food products to Mexico brought in over $315 million in 1992, a 489 percent increase since 1987.

If we reject this agreement, we will be turning away from the opportunities that are provided to our hard working business.

- **Opportunities to Clean Up Our Environment**

  - With NAFTA, we have, for the first time in the history of international trade negotiations, environmental concerns raised to fundamental importance.

  - With NAFTA, create an international commission, to promote cooperation on environmental clean-up.

  - Without NAFTA, we are powerless to contain the pollution that destroys the quality of our planet's environment.

THIS AGREEMENT PROVIDES OPPORTUNITIES FOR AMERICA LIKE I HAVE NEVER SEEN BEFORE. IT IS IMPERATIVE THAT WE MOVE INTO THE FUTURE AS GOOD NEIGHBORS BY WORKING IN PARTNERSHIP WITH MEXICO, RATHER THAN REVISITING THE PAST BY TURNING OUR BACKS TO OUR NEIGHBOR.

THE WHITE HOUSE

WASHINGTON

AGENDA

THE NORTH AMERICAN FREE TRADE AGREEMENT
WHITE HOUSE FORUM

OLD EXECUTIVE OFFICE BUILDING
ROOM 450

OCTOBER 21, 1993

****

WELCOME
Alexis Herman
Assistant to the President
Director of Public Liaison

*

BRIEFING
Lloyd Bentsen
Secretary of the Treasury

BRIEFING
Ron Brown
Secretary of Commerce

BRIEFING
Janet Reno
United States Attorney General

*

BREAK

*

Mack McLarty welcome

BRIEFING
Bill Daley
Special Counsellor to the
President for NAFTA

***

VICE PRESIDENT AL GORE

***

CALIFORNIA and the NAFTA: *EXPORTS and JOBS*

• JOBS •

CALIFORNIA Jobs Supported by Trade with MEXICO and CANADA - 189,400.

• EXPORTS •

CALIFORNIA Exports to MEXICO and CANADA Reached $13.9 billion in 1992.

- **California was one of 17 states which ranked Mexico among their top three markets.** Canada, our other NAFTA partner, ranked second among California's export markets; Mexico was third largest.
- **89,600 jobs in California in 1992 were supported by exports to Mexico.** Over 45 percent of those jobs were created in the past five years, since Mexico began liberalizing its import regime.
- **California's merchandise exports to Mexico almost tripled from 1987 to 1992,** rising from $2.3 billion to $6.6 billion.
- **California ranked second among all states in the value of 1992 exports to Mexico.**
- **During the past five years, California's exports to Mexico rose by $4.3 billion, the second largest dollar increase among the states.** Border states have been among those with the largest increases in the dollar value of exports to Mexico.
- **California's exports to Mexico grew 191 percent from 1987 to 1992,** 96 percentage points faster than the state's export growth to the rest of the world.
- **California's exports to Mexico in 1992 were broad-based.** The top export categories were: electric & electronic equipment ($1.5 billion), industrial machinery & computers ($1.0 billion), transportation equipment ($389 million), fabricated metal products ($345 million), and primary metal industries ($340 million).
- **California boosted exports of a wide range of manufactured goods to Mexico over the past five years. Eighteen of the twenty major industries that comprise manufacturing registered export growth.** Sectors with important gains included: food products (from $53 million to $315 million), apparel (from $29 million to $189 million), and chemical products (from $91 million to $312 million).
- **In 1992, California's exports to Canada totalled $7 billion.** California's exports to Canada more than doubled over the past five years, during which the U.S.-Canada Free Trade Agreement was implemented (January 1, 1989).

Compiled by USDOC/OM, August 1993.
Job estimate provided by USTR; refers only to jobs supported by exports of manufactured goods

Free Trade +

1986 – Independent Congressional Study
Creation of new + Better Jobs only 1st stage
to Immigration issue

1991

U of Calif –
~~produce~~ Free Trade with Mexico will reduce immigration by
250 – 1.1 mil people

– Huge Transfer / Agriculture
Reform /

Has made model – Intellectual Property

THE WHITE HOUSE

WASHINGTON

October 20, 1993

NAFTA BRIEFING WITH CALIFORNIA

TO: Alexis Herman
DATE: Thursday, October 21, 1993
LOCATION: 450 Old Executive Office Building
TIME: 9:30 AM - 12:00 noon
From: Doris Matsui

I. PURPOSE

This is a briefing for approximately 125 leaders from California about the benefits and importance of the North America Free Trade Agreement. This is the fifth in a series of state NAFTA briefings. We have given briefings to leaders from New England (Massachusetts, New Hampshire and Maine),New Jersey, North Carolina, Maryland, Virginia, Alabama,Georgia.

II. BACKGROUND

NAFTA has been defined by its opponents in a negative way as a job loser. In order to get beyond the large organizations that oppose NAFTA, we must get to the people who can actually make the argument for NAFTA -- the people outside the beltway, the citizenry in their individual communities.

This briefing gives us an opportunity to present the case to the people who actually vote and who could spread the message at the grassroots level.

This group consists of supporters as well as those who are still undecided, therefore it is important to emphasize how NAFTA will create jobs for this country.

III. PARTICIPANTS

Vice President Gore
Secretary Bentsen
Secretary Brown
Attorney General Reno
Bill Daley

SECRETARY BENTSEN

CALIFORNIA OPINION LEADERS FORUM

OVERVIEW

October 21, 1993

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11:00-11:20	BREAK
11:20-11:30	Special Counsellor Daley NAFTA: The Final Push
11:30-12:00	The Vice President NAFTA: An Unequaled Opportunity to Create a Cooperative and Peaceful World for Our Children.

SECRETARY BENTSEN

THE CALIFORNIA OPINION LEADERS FORUM

NAFTA: An Unprecedented International Treaty Creating Opportunities for the United States.

NAFTA is a path breaking trade agreement that creates so many opportunities for Americans.

- I am not just talking about business opportunities --
  - I am talking about opportunities to reassert our leadership role in international trade.
  - I am talking about opportunities to improve the standard of living and provide hope to Americans struggling to make a decent wage.
  - I am talking about opportunities to do something about the deteriorating environment so that our children are able to live in a cleaner, safer world.
- **An Opportunity to Reassert Our Leadership Role in International Trade.**
  - The world has always looked to the United States for leadership on issues of free trade. Passing NAFTA will demonstrate that we are serious about eliminating the barriers between people and ideas in this world. Passing NAFTA will prove to the world that we are confident enough in the quality of our workers that we are able to compete anywhere, any time and any place when we compete on a level playing field.
  - By rejecting NAFTA, we will be turning our back on that leadership role. Our loss of credibility will hurt us as we continue our negotiations in the GATT Rounds. Our international image will be tarnished.

NAFTA: An Opportunity to Create a High Wage Future for Our Labor Force.

- Lowering trade barriers creates a market for American goods produced by American workers. Just look at the numbers from the past several years.
  - In 1987, before Mexico began its policy of trade liberalization, we ran a $5.7 billion deficit with Mexico.

SECRETARY BROWN

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SECRETARY BROWN

THE CALIFORNIA OPINION LEADERS FORUM

NAFTA: Business Opportunities for California

Today, I want to cut through the fog that's been thrown up about the NAFTA agreement to talk to you about just three things.

- First, I want to provide the straight facts about how trade with Mexico has benefited the California and U.S. economy.

- Second, I want to talk to you about the opportunities that NAFTA creates for Californians, and all citizens of the United States for a post- Cold War economy.

- **Third, I want you to take a glimpse of the "World Without NAFTA" from an economic perspective.**

FIRST THE FACTS

- Nation wide, trade with Mexico supports over 700,000 jobs.

- Last year, over 89,000 Californians were dependent upon exports with Mexico for their jobs. Over 45 percent of those jobs were created in the past five years, when Mexico began liberalizing its import regime.

- California exports to Mexico and Canada reached $4.3 billion in 1992.

  - During the past five years, California's exports to Mexico rose by 191 percent increase, 96 percentage points faster than the state's export growth to the rest of the world.

  - The Commerce Department has recently released our sector reports. Here are some of the findings:

    In terms of trade with Mexico, eighteen of the twenty major industries in California that comprise manufacturing registered growth. Sectors with important gains included:

    - California's Electric and Electronic Equipment industry, which employs 261,000 workers saw exports to Mexico go from $430 million to $1.497 billion, a 250 percent increase over five years ('87-'92).

    - Computers and Industrial Machinery saw exports to Mexico soar from $385 million in '87 to with $1 billion in '92, again a 250 percent increase.

      - Three years ago, according the Mexican Department of Commerce, Mexicans bought 120,000 personal computers, the bulk of them inexpensive copies of U.S. brands assembled by Mexican computer companies.

      - Last year, Mexicans purchased 390,000 computers, mostly U.S. made models.

- Food products which grew from $53 million in 1987 to $315 million in 1992.

- Apparel which went from $29 million in '87 to $189 million in '92, in 550 percent increase.

<u>NOW I WANT TO TALK ABOUT HOW NAFTA WILL EFFECT THE FUTURE OF CALIFORNIA.</u>

As all of us are aware, we live in a changing global environment. While we are excited by the changes in the world, excited about the spread of democracy throughout the Eastern Bloc of Europe, through Africa, Asia and Latin America, we cannot deny that these changes cause dislocations here in the United States. Principle among them are cut-backs in our defense related industries upon which Californians are heavily dependent.

- I want to make this point as clearly and succinctly as I can: **IN THIS TIME OF CHANGE, NAFTA MEANS JOBS FOR THE FUTURE IN CALIFORNIA. IN FACT, CALIFORNIA STANDS TO GAIN MORE THAN JUST ABOUT EVERY OTHER STATE.**

- NAFTA will create the largest consumer market that the world has ever seen: 370 million people and $6.5 trillion of production.

- NAFTA will create 200,000 American jobs by 1995. These will be high paying, high quality jobs.

- o **Employees in export-related jobs make 17 percent more than the average U.S. worker.**

  o **In the manufacturing sector, export-related jobs bring in ten percent more income than the national manufacturing average.**

- NAFTA enables us to compete on a level playing field in Mexico.

- **Automobiles** - Under the current regime, to sell a car in Mexico, their law requires us to build two cars in Mexico -- one to sell to Mexicans -- another to be shipped back to the United States. **NAFTA changes this.** By eliminating artificial barriers that prevent us from selling our cars in Mexico, we'll be able to sell 60,000 additional automobiles there next year, adding 15,000 jobs to our auto industry.

- **Computers** - In the computer industry, market forecasters predict that sales in personal computers alone will almost double, from 160,000 three years ago, to over 600,000 units next year.

<u>FINALLY, I WANT TO EXPLORE WITH YOU WHAT THE FUTURE WILL BRING IF WE TURN OUR BACK ON NAFTA.</u>

- Its is important to communicate what the stakes of this debate are. **The debate here in the United States does not take place in a vacuum. Recently, President Salinas very clearly, explicitly and directly laid-out the stakes for his country. Mexico cannot wait forever -- if NAFTA is not approved, Mexico will be forced to look to some of our competitors for trade relationships.** *The Washington Post*, October 8, 1993.

35% of all [illegible]

ATTORNEY GENERAL RENO

CALIFORNIA OPINION LEADERS FORUM — [illegible]

OVERVIEW

October 21, 1993

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ATTORNEY GENERAL JANET RENO
CALIFORNIA OPINION LEADERS BRIEFING
TALKING POINTS
October 21, 1993

I came here to day to add my voice to the consensus of support for NAFTA. Why do I support NAFTA? First, let me tell you a bit about what I do.

I enforce the laws of the United States Government. I am responsible for the investigation, indictment and prosecution of those who violate the laws of the United States. I can tell you -- this is no small task.

As demanding as my job is, it is made more difficult when

- **scarce resources are used to stem the flow of illegal immigrants coming into the United States.**

- and legal norms established by our country are flouted by those who operate outside of my jurisdiction -- who escape and operate from the comfort of overseas safe-havens.

NAFTA creates the atmosphere in which to address these problems. That's why I so ardently support it.

Immigration

- In a recent Los Angeles Times public opinion poll, a stunning 75% of Californians polled indicated their support for deploying the National Guard to patrol the southern border of the United States. This comes at a time when nations around the world have come to realize the futility of building barriers to keep people and ideas isolated.

- <u>With NAFTA</u>, we will finally begin to get a handle on the disparities that drive Mexicans into the United States.

    - In 1986, the Commission for the Study of International Migration concluded that the creation of new and better jobs in Mexico -- through measures including a free trade pact -- is the only long-term way to reduce illegal immigration into the United States.

    - A University of California study in 1991 also found that free trade with the United States and internal economic reforms that would come with the free market would reduce illegal immigration by anywhere between 250,000 and 1.1 million people.

    - Even a group that is opposed to NAFTA, the Economic Policy Institute, concluded in 1991 that NAFTA would reduce illegal immigration from Mexico by as many as 1.6 million people by the turn of the century.

- Without NAFTA, the problem of illegal immigration will worsen. Without an opportunity to participate in the benefits of free trade, hard-working Mexicans will do what they have done in increasing numbers for the last several decades -- they will move to where the free market provides them with opportunity. They will move to the United States.

Intellectual Property Rights

- We have a situation today that is not much different from the days of Butch Cassidy and the Sundance Kid -- where copyright thieves run across the border, not with bank bags, but with stolen intellectual property and patent materials worth far more than the bandits of yesteryear could have dreamed.

  - Worldwide, software piracy costs U.S. industries $10 billion a year in lost revenue.

  - As Bill Gates, the mastermind of Microsoft, reminded us in his editorial in support of NAFTA the other day, **"In Mexico alone last year an estimated $293 million in sales was lost to piracy of copyrighted works, including software, books and recorded music."**

- **NAFTA HELPS PUT AN END TO THIS.** This agreement provides unprecedented protection for intellectual property. It safeguards the risk that entrepreneurs from this country have taken to make investments in technology for our future.

- That's why Bill Gates supports NAFTA. He has written, **"Approval of NAFTA is vitally important to the software industry -- and the country. NAFTA presents us with an opportunity to protect our intellectual property rights and promote U.S. exports. It is an opportunity we should not miss."**

Labor Standards

- The familiar phrase of "going South" sends chills up the spine of our labor force. It has become a catch-phrase for the circumvention of labor laws. The masquiladora program has come to epitomize our worst fears as low-wages and poor regulation have created a law-enforcement nightmare.

- **NAFTA HELPS TO CHANGE THIS.** The side agreement on labor will provide the mechanism for the enforcement of labor laws in Mexico. This is an unprecedented opportunity for us to be sure that Mexican laws are enforced so that our workers can be placed on a level playing field with their Mexican counter parts.

WILLIAM DALEY

CALIFORNIA OPINION LEADERS FORUM

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WILLIAM M. DALEY
TALKING POINTS FOR CALIFORNIA OPINION LEADERS FORUM
THE FINAL PUSH
October 21, 1993

- The President laid it on the line yesterday. "We have to fight fear with facts."

- A brutal fact for us is that there are only four weeks left before the vote on this effort. Four weeks for, not just us, but <u>you</u> to counteract the demagoguery that has attached itself to this issue.

- We are battling tremendous forces of disinformation on this issue. There seems to be no blow that is too low for some of these groups.

- The rhetoric coming from Ross Perot is particularly obnoxious.

  - Ross Perot will say and do anything to place himself in the limelight. Now he is catering to peoples most vulnerable fears, playing to the insecurities that are felt by all Americans -- job loss and a lower standard of living.

  - Here are some facts about Perot and his operation.

    - At the same time that he is jabbering about how NAFTA will be the end of our country, his son, using Ross' millions, has filed for free trade zone status for their Alliance Airport in Texas. You know what Ross Jr. recently said, **"Free trade "will benefit the United States economy by expanding trade opportunities, lowering prices, increasing competition and improving the ability of the United States companies to exploit economies of scale."**

      He also said that **"the Alliance Corridor will act as a 'hub' for free trade. The North American Free Trade Agreement will increase the flow of goods to the north and south."**

    - Tom Luce, one of Ross Perot's closest advisers, recognized Perot's empty rhetoric on NAFTA, said **"If Congress were to reject this agreement, it would damage our economy and worsen our growing immigration problem. IT WOULD BE A FOREIGN POLICY <u>DISASTER</u>."**

      He also said that **"trade restrictions" like those Perot is pushing, "are a recipe for disaster."**

- Look -- this is serious stuff. If we don't get this agreement through the Congress we will be crying "uncle" to the forces that are trying to isolate us from the rest of the world. I don't want that. I'm sure you don't want that. Let's do everything we can to get this agreement through.

VICE PRESIDENT GORE
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VICE PRESIDENT GORE
CALIFORNIA OPINION LEADERS FORUM
TALKING POINTS
October 21, 1993

NAFTA: An Opportunity to Create a Cooperative and Peaceful World for Our Children

- There are two fundamentally different paths for the world to take in the coming years. Two paths that will determine the extent to which we are students of, rather than slaves to history.

    - The path of isolationism, segregation, exclusion, and separatism is a path well trodden. It is a path of fear and anxiety -- where cowardly demagogues prey on misinformation and prejudice. The result at the end of this cycle is economic decline. Our experience in this regard is Smoot-Hawley.

    - The other is a path of courage -- it is a path dedicated to idea that barriers between people and ideas stifles the human spirit. It is a path that seeks to bring people of all backgrounds, traditions, and cultures together in a spirit of cooperation.

    - We are struggling to continue on the path of courage and unity in the face of the powerful forces that push us toward distrust and segregation.

        - In Europe, the vision of an economic union now competes with the reality of ethnic cleansing.

        - In the Republics of the Former Soviet Union those reformers dedicated to political freedom are battling the anarchist vision of fragmentation and violence.

        - And in Mexico, this same struggle takes place -- between those who want to a future of freedom and those who would drag Mexico back down into a patriarchy of protectionism.

    - President Salinas is struggling to bring about change in his country. NAFTA is an integral part of this program of change.

        - This is the key to the immigration problem that has plagued both of our countries.

        - This is the key to improving labor standards.

- This is the key to harmonizing environmental standards upward.

- NAFTA helps us achieve this vision. Rejecting NAFTA exacerbates our divisions.

I WANT TO TALK TO YOU ABOUT TWO VISIONS OF THE FUTURE: THE FUTURE WITH NAFTA AND THE FUTURE WITHOUT NAFTA.

ENVIRONMENT

- With NAFTA, we have a ground-breaking environmental agreement with Mexico -- an agreement that never before seen in the history of international relations -- that creates the mechanism for cleaning up the environment along the border.

  - That's why NAFTA has been endorsed by the National Wildlife Federation, the World Wildlife Fund, the Audubon Society, the Environmental Defense Fund, the National Resources Defense Council and Conservation International.

- Without NAFTA, the border area will continue to deteriorate into an environmental wasteland.

THE AUTOMOBILE INDUSTRY

- With NAFTA, our American automobile companies will be able to ship directly to Mexican consumers who are hungry for such American products as mini-vans and pickup trucks. In the first two years, the auto companies anticipate $2 billion in added sales to Mexico.

- Without NAFTA, our international competitors in the auto industry to move-in and export <u>their</u> cars to Mexico. Meanwhile, our workers are locked-out of this important market -- denied the opportunity to prove the quality of their work.

INTERNATIONAL TRADE

- With NAFTA, the United States, Canada and Mexico will create the world's largest consumer market with 370 million people and $6.5 trillion in production. The strength of this free-trade zone will provide the clout needed to compete with European and Asian trading blocs.

- Without NAFTA, our credibility as a reliable trading partner is crippled. NAFTA fallout will affect GATT and other international agreements making it difficult to make progress with our trade deficit problems.

JOBS

- With NAFTA, there will be 200,000 new jobs related to exports that don't exist now.

- Without NAFTA, the 700,000 jobs that currently exist as a result of the increasing velocity of trade with Mexico will be jeopardized as Mexico turns to our international competitors for liberal trade relationships.

COMPUTERS AND HIGH TECH

- With NAFTA, we have the opportunity to create a new market for American computer products. While we sold 160,000 computers to Mexico three years ago, we'll be poised to sell over 600,000 computers to Mexico next year if NAFTA is passed.

- Without NAFTA, we will be without a mechanism to address the over $293 million sales lost to computer piracy in Mexico. That's why Bill Gates of Microsoft is for this agreement.

We must understand how important NAFTA is to our nation. As the President said yesterday, NAFTA is about preparing and building for the future. We cannot be dissuaded from this task by a longing for the past.

Members of Congress need to hear from their constituents about the stakes of NAFTA for the United States. I urge you to contact them right now. This debate will be over in five weeks.

CALIFORNIA STATE OPINION LEADERS NAFTA BRIEFING
ATTENDEES AS OF 2:15pm ON 10/20

Mary Alice Acevedo
International Sales
Cal-State Lumber Sales
San Ysidro CA

Jorge Aguilar
Vice President, North
American Opperations
International Rectifier
El Segundo CA

Alina Aldape
President
American Law Companies
San Francisco CA

Joseph Altschule
Senior Partner
Wilson, Altschule & Wetting
Visalia CA

John Annaloro
Senior Vice President
California Credit Union
Pomona CA

Jane Arnault
President & CEO
Jur Econ, Inc.
Los Angeles CA

Ed Avila
Administrator
Community Redevelopment
Agency
Los Angeles CA

Clayton Guinard Barker
Vice President
Eagle Creek
San Marcos CA

-**Alicia D. Becerril**
San Francisco Hispanic
Chamber of Commerce
San Francisco CA

Eric Benhamou
CEO & President
3 Com Corporation
Santa Clara CA

Joel H. Bennett
President
Parsons Environment Inc.
Pasadena CA

Gordon Morris Binder
Chairman & CEO
AMGEN
Thousand Oaks CA

Robyn Black
General Partner
Anderson Farms
Visalia CA

Maria Edna Bon
General Manager
W.J. Bynes & Company
Millbrae CA

Michael Boone
President
Boone International
Irvine CA

Wayne Bradshaw
President
Family Savings & Loan
Association
Los Angeles CA

Donna Burden
Assistant COPE Director of
Central Labor Council
State Senator Rubin S. Ayala
Rancho Cucamonga CA

George Burden
Chief of Staff
Senator Rubin S. Ayala
Rancho Cucamonga CA

Robert Burke
Rose and Kindel Public
Affairs Advocacy
Sacramento CA

David Camp
President & CEO
Evergreen Oil, Inc.
Newport Beach CA

Robert Cange
President
Cange & Associates
International
San Diego CA

Steve Carbo
Legislative Staff Attorney
Mexican American Legal
Defense and Educational Fund
Washington DC

Karen Carlstrom
Visalia CA

Richard Carlstrom
Visalia CA

Toni Casey
Los Altos Hills CA

Leslie Browne Cazas
Director Int. Trade &
Customs
Arthur Anderson
Los Angeles CA

Luis Contreras
President
Johnston Environmental
Santa Ana CA

David Crane
Managing Director
Babcock and Brown
San Francisco CA

Nicholas Criss
Director
John Burnham & Co.
San Diego CA

Joseph J. Crosetti
President
Nor-Cal Crosetti Foods
Watsonville CA

Sam Crow
District Attorney
City of Ontario
Ontario CA

Frank Cruz
Chairman
Gulf Atlantic Life Insurance
Company
Los Angeles CA

Carl H. Davis
Vice President
Pudential Bache
Los Angels CA

Lee Deets
Executive Vice President
Metalclad Corportation
Newport Beach CA

Papaen S. Der Torossian
Chairman
Silicon Valley Group, Inc.
San Jose CA

William H. Devine
Vice President, Public
Affairs
AT&T
Los Angeles CA

Charles Dickerson
President
City of Los Angeles Board of Public Works
Los Angeles CA

Pete Emerson
Environmental Defense Fund

Richard Fine
Attorney
Los Angeles CA

David Flowers
President and CEO
Pulse Engineering
San Diego CA

John Karen Flynn
Supervisor
Ventura County
Ventura CA

Jim Franz
Senior Director
Fluor Daniel
Irvine CA

Seth Freeman
President & CEO
Freeman Companies
Oakland CA

Ernest Gallo
Owner
Ernest and Julio Gallo Winery
Modesto CA

Edward D. Garber
Chair, Legislative Committee
Export Managers Association of California
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San Jose State University
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President & CEO
Kavlico Corporation
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Arnoldo Gil-Osorio
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Jennifer Goman
General Manager
World Trade Association of San Diego
San Diego CA

Louis Gonda
Executive Vice President of International Affairs
International lease finance Corp

Bob Grady
Vice President
Robertson, Stephens and Co.
San Francisco CA

Edward J. Green
President
International Trade Institute
Chula Vista CA

Daniel Haley
Senior Vice President
Robinson, Lake, Lerer, Montgomery/Sayer Miller Group

Barry Hall
Chairman & CEO
California Amplifier
Camarillo CA

Anne Halsted
President
San Francisco Port
Commission
San Francisco CA

Raul Hinojosa-Ojeda
Professor
UCLA
Washington DC

James C. Hormel
Chairman
Equidex, Inc.
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Thomas Horn
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Goldstein & Gellman
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President
Hutchco Development
Corporation
Fresno CA

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President
Founders National Bank
Los Angeles CA

Christopher Jennings
Managing Director
Sutro & Company, Inc.
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John P. Kempton
President
Teledyne Laars
Moorpark CA

Ed Laird
President
Coating Resource Corporation
Huntington Beach CA

John Leitner
President
J.W. Byrnes & Company
Milbrae CA

Gunnar Lundberg
President/Secretary/Tres.
Sailors Union Pacific
San Francisco CA

Ramesh C. Manghirmalani
President
Marco Polo Limited
Danville CA

David McDonald
President
Pelco Enterprises
Clovis CA

Bob McDonough
Preisdent
REMEDY Temporary Services
San Juan Capistrano CA

William D. Merritt
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Gregory Mignano
President
Cal Source Int
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Elvin Moon
President
E.W. Moon, Inc
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Katy Moran
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Los Angeles CA

Francis Okyere
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Moore Park Chamber of Commerce
Moore Park CA

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CEO
Kinkos
Ventura CA

David Paine
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Paine & Associates
Costa Mesa CA

Jacob Pandol
President
Pandol Brothers, Inc.
Delano CA

Harry Pappas
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Pappas Telecommunications Company
Vissalia CA

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Valencia, Maldonado, & Echeveste

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ABR Associates
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Alfred Redmond
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Jaime Ruiz
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Hermann H. Schmidt
President
HHS Enterprises E.T.C.
Alhambra CA

Joann R. Schultz
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Public Financial Managment,
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Komal Sri-Kumar
Managing Director
Trust Company of the West
Los Angeles CA

Steven Swig
Owner
Fairmont Hotel
San Francisco CA

James Temenak
Vice President of Marketing
Nassco
San Diego CA

Susan Thurman
PBN, Inc
San Francisco CA

Robert Toney
Chairman
Oakland Chamber of Commerce
Oakland CA

John William Tos
President
Tos Farms, Inc.
Hanford CA

James Ray Trujillo
District Council
Representative
District Council of Iron
Workers for the State of CA

Richard Vortmann
Chairman & CEO
Nassco
San Diego CA

L.

George Vradenburg
Executive Vice President
Fox, Inc.
Beverly Hills CA

Craig Walker
Director
Prudential Securities
Incorporated
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John Walsh
Senior Vice President
Compression Labs Inc.
San Jose CA

David Warfield
Member of the Board
Friends of the River
Sacramento CA

Earl Washington
Vice President, Business
Development
Rockwell Inc.
CA

Bernard Weiss
International Trade
Specialist
Small Business &
International Trade Ctr.

Sharon Annes Wiezbowski
Vice President, Corporate
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Shaman Pharmaceuticals
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Barbara Willey
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Applause, Inc.
West Hills CA

Elgin Williams
Director of Investment
Relations
Metalclad
Newport Beach CA

Samuel I. Williams
Sprint Communications
San Mateo CA

Stephen Williams
Managing Director
William Partners
San Diego CA

Al Wilson
President
Integrated Environment
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Irvine CA

Paul Witt
Partner
Witt, Thomas, Harris
Hollywood CA

William Wolf
Vice President, Marketing
Air L.A.
Los Angeles CA

Peter Zeughauser
General Counsel
The Irvine Company
Newport Beach CA

The State of CALIFORNIA

and the

NAFTA

- CALIFORNIA and NAFTA: *EXPORTS and JOBS*
- CALIFORNIA EXPORTS to MEXICO
- CALIFORNIA EXPORTS to CANADA

Senator Dianne Feinstein

Congressman Anthony Beilensen
Congressman Howard Berman
Congressman Ken Calvert
Congressman Randy Cunningham
Congressman David Dreier
Congressman Calvin Dooley
Congressman Vic Fazio
Congressman Bob Filner
Congressman Michael Huffington
Congressman Jay Kim
Congressman Robert Matsui
Congresswoman Nancy Pelosi

IV. PRESS PLAN

No press coverage. There will be a stakeout following the briefing.

V. SEQUENCE OF EVENTS

- o You will enter the holding room of Room 450 of the Old Executive Office Building.
- o You will introduce Secretary Bentsen.
- o Secretary Bentsen will talk about NAFTA as whole;creating opportunities for the United States and take question and answers.
- o You will introduce Secretary Ron Brown.
- o Secretary Ron Brown will talk about NAFTA and its affects on the state of California and take questions and answers.
- o You will introduce Attorney General Janet Reno.
- o Attorney General Janet Reno will talk about NAFTA and its affects on Immigration, Intellectual Property Rights and Labor Standards and take questions and answers.
- o There will be a 20 minute break.
  Mack McLarty and Leon Panetta have been confirmed to do a drop by.
- o You will Introduce Bill Daley.

- Bill Daley will give remarks: NAFTA The Final Push; questions and answers.

- You will introduce the Vice President.

- The Vice President will give remarks about NAFTA; An Opportunity to Create a Cooperative and Peaceful World for our Children; questions and answers.

VII. ATTACHMENTS

- Agenda

- California participants

- Other speakers talking points

- Other supportive material

CALIFORNIA NAFTA BRIEFING

Thursday, October 21, 1993

9:30 AM - 12:00 Noon
450 OEOB

9:30 AM- 9:35 AM	Alexis Herman Welcome and introduction of Secretary Bentsen
9:35 AM- 10:00 AM	Secretary Bentsen Remarks and Q & A
10:00 AM- 10:30 AM	Secretary Brown Remarks and Q & A
10:30 AM- 11:00 AM	Attorney General Reno Remarks and Q & A
11:00 AM- 11:20 AM	BREAK
11:20 AM- 11:30 AM	Special Counsellor Daley Remarks
11:30 AM- 12:00 Noon	The Vice President Remarks

CALIFORNIA'S EXPORTS TO MEXICO, BY INDUSTRY SECTOR

(Percent & Thousand $)

	1987	1992	% CHANGE	$ CHANGE
CA'S EXPORTS TO MEXICO	$2,257,263	$6,556,924	190.5%	$4,299,661
AGRICULTURE, FORESTRY & FISHERIES	$36,928	$123,066	233.3%	$86,138
Agriculture – crops	34,040	76,702	125.3%	42,662
Agriculture – livestock	2,239	34,281	1430.9%	32,042
Forestry	607	4,133	581.2%	3,527
Fishing, Hunting	42	7,949	18925.1%	7,908
MINING	48	20,080	41865.9%	20,032
Metal Mining	4	201	5525.3%	198
Coal Mining	17	195	1074.4%	178
Oil & Gas	24	13,379	55757.8%	13,355
Non–Metallic Minerals	4	6,305	168565.8%	6,301
MANUFACTURING	2,147,661	6,356,491	196.0%	4,208,830
Food Products	53,462	315,040	489.3%	261,578
Tobacco Products	0	4	--	4
Textile Mill Products	13,504	62,266	361.1%	48,763
Apparel	29,210	189,329	548.2%	160,119
Lumber & Wood Products	90,595	288,417	218.4%	197,822
Furniture & Fixtures	18,569	88,573	377.0%	70,004
Paper Products	68,878	215,762	213.3%	146,884
Printing & Publishing	9,541	36,769	285.4%	27,227
Chemical Products	90,604	312,029	244.4%	221,425
Refined Petroleum Products	349,879	276,501	−21.0%	−73,378
Rubber & Plastic Products	111,698	296,213	165.2%	184,515
Leather Products	6,496	31,583	386.2%	25,087
Stone, Clay & Glass Prod.	33,466	87,729	162.1%	54,264
Primary Metal Industries	100,603	340,344	238.3%	239,742
Fabricated Metal Products	131,943	344,658	161.2%	212,715
Indus. Mach. & Computers	385,123	1,035,918	169.0%	650,795
Electric & Electronic Equip.	430,761	1,497,660	247.7%	1,066,899
Transportation Equipment	80,858	389,629	381.9%	308,771
Scientific & Measuring Instr.	78,868	278,587	253.2%	199,719
Miscellaneous Manufactures	63,603	269,479	323.7%	205,876
OTHER	72,627	57,287	−21.1%	−15,340
Scrap & Waste	18,813	17,772	−5.5%	−1,041
Second Hand Goods	8,863	4,127	−53.4%	−4,736
Military Equipment	44,951	35,388	−21.3%	−9,563
CA'S EXPORTS TO MEXICO	$2,257,263	$6,556,924	190.5%	$4,299,661

CALIFORNIA'S EXPORTS TO CANADA, BY INDUSTRY SECTOR

(Percent and Thousand $)

	1987	1991	1992	% CHANGE 1987–92	$ CHANGE 1987–92
AGRICULTURE, FORESTRY & FISHING	**$312,283**	**$746,456**	**$732,400**	**134.5%**	**$420,117**
Agriculture – crops	297,692	719,847	703,835	136.4%	406,143
Agriculture – livestock	10,073	4,468	3,879	–61.5%	–6,195
Forestry	3,801	1,628	2,125	–44.1%	–1,675
Fishing & Hunting	717	20,513	22,561	*	21,844
MINING	**15,954**	**16,160**	**13,030**	**–18.3%**	**–2,924**
Metal Mining	81	25	11	–86.4%	–70
Coal Mining	0	0	0	––	––
Oil & Gas	0	54	66	––	66
Non–Metallic Minerals	15,873	16,081	12,953	–18.4%	–2,920
MANUFACTURING	**3,011,609**	**5,619,420**	**6,383,046**	**111.9%**	**3,371,438**
Food Products	183,823	477,262	528,931	187.7%	345,108
Tobacco Products	37	40	63	70.7%	26
Textile Mill Products	5,798	20,307	23,319	302.2%	17,521
Apparel	10,577	42,643	52,498	396.3%	41,921
Lumber & Wood Products	31,253	56,555	53,691	71.8%	22,438
Furniture & Fixtures	9,724	40,696	46,946	382.8%	37,222
Paper Products	14,648	40,149	40,523	176.6%	25,875
Printing & Publishing	42,754	111,757	116,850	173.3%	74,096
Chemical Products	109,297	170,139	206,939	89.3%	97,642
Refined Petroleum Products	23,244	46,850	31,472	35.4%	8,229
Rubber & Plastic Products	56,408	110,875	121,660	115.7%	65,252
Leather Products	2,922	18,333	20,002	584.6%	17,080
Stone, Clay & Glass Products	30,406	41,199	48,270	58.8%	17,864
Primary Metal Industries	58,889	122,695	137,415	133.3%	78,526
Fabricated Metal Products	97,926	329,533	253,357	158.7%	155,432
Industrial Machinery & Computers	976,799	1,650,340	1,921,751	96.7%	944,952
Electric & Electronic Equipment	536,757	1,150,656	1,389,176	158.8%	852,419
Transportation Equipment	462,622	617,677	778,276	68.2%	315,654
Scientific & Measuring Instruments	317,927	435,436	447,163	40.6%	129,236
Miscellaneous Manufactures	39,799	136,277	164,746	313.9%	124,946
OTHER	**64,302**	**128,050**	**180,501**	**180.7%**	**116,199**
Scrap & Waste	1,216	20,709	25,403	1989.1%	24,187
Second Hand Goods	4,928	8,906	15,976	224.2%	11,048
Goods Returned to Canada	0	61,420	80,823	––	80,823
Military & Other Misc. Items	58,158	37,015	58,300	0.2%	141
CA'S EXPORTS TO CANADA	**$3,404,148**	**$6,510,086**	**$7,308,978**	**114.7%**	**$3,904,830**

* Indicates percent changes of 1000% or more.

- As the President pointed out in his radio address on Saturday, **if we turn down NAFTA, WE WILL ALLOW THE EUROPEANS AND THE JAPANESE TO MAKE A SWEET-HEART DEAL FOR TRADE IN MEXICO.**

- If we don't fight for the 90 million consumers in the Mexican market, Japan and Germany will claim this market -- and they won't stop at Mexico.

THE MORE PEOPLE KNOW ABOUT THIS AGREEMENT, THE MORE THE UNDERSTAND THE STAKES FOR CALIFORNIA AND FOR THE WHOLE OF THE UNITED STATES, THE MORE THEY SUPPORT THIS AGREEMENT. WE CANNOT DO THIS ALONE. WE NEED YOUR HELP. WE NEED YOUR SUPPORT. WE NEED YOUR VOICE.

THE NAFTA

Expanding U.S. Exports, Jobs and Growth

BRIEFING SYNOPSIS

"In the face of all the pressures to do the reverse, we must compete, not retreat."

President Clinton, February 26, 1993