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August 27, 1997
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DRAFT

FAST TRACK "SUCCESS" STORIES

The Risk of Inaction:
The risk of inaction is quite great given the pace at which countries continue to sign trade agreements further liberalizing their markets, tearing down tariffs and non-tariff barriers, and increasing market access with their trading partners.

(1) Business Owner or Worker

(union)

- The Stupp Corporation in Baton Rouge, Louisiana, a leading producer in the Western Hemisphere of API line pipe, is confronted with a price hurdle when doing business in South America. Its competitors from countries in the southern cone common market (MERCOSUR), comprised of Brazil, Argentina, Uruguay and Paraguay, do not face this price hurdle, as they have signed a trade agreement between themselves and with Chile significantly reducing duties and taxes on products exported between them. In bidding to supply $100 million of pipe to an Argentina-Chile gas pipeline project, Stupp faces duties and taxes of 27 percent on the Argentine portion of the pipeline, costs that a major competitor from Chile does not have to pay. For corporations like Stupp and its workers, including the steelworkers, dock workers, railroad employees, stevedores and truck drivers, the stakes are quite high in winning these major infrastructure projects. Stupp estimates a successful bid would

  -- require the equivalent to two days of U.S. Steel's total shipments or twice that at a company the size of LTV;
  -- employ over 1,600 rail cars to ship the steel to their plant; or alternatively, 67 barges and 1,904 trucks;
  -- provide more than two months of work for a U.S. facility to coat the bare pipe.

  (Source: Department of Commerce) (Contact: Donald Bohach, Director of Marketing and Business Affairs, 2-(800) 535-9999).

The risk of inaction is evident in view of the free trade agreement reached between Canada and Chile in November 1996 that will eliminate Chile's 11% across-the-board tariff starting this year.

(2) Owner

Worker

- Quaker Fabric Corporation in Fall River, Massachusetts, a $200 million publicly trade textile company is a major manufacturer of upholstery fabric employing about 1,750 people marketing its products in the U.S. and 42 other countries. Last year, about 20% of the company's sales were made outside the U.S. and some 350 of the company's employees owe their jobs to Quaker's growing export operations. In the past three, it has added 150 jobs due to increased exports. Last year, Quaker exported over $35 million worth of fabric, of which 40 percent was derived from our NAFTA partners. The rest of the hemisphere, where Quaker believes its greatest opportunities for growth lay, should provide it with additional sales opportunities of some $25 million (the equivalent of 200

more jobs in Massachusetts. However, Chile is a case in point of the risk of inaction and business opportunity loss for companies like Quaker. Recently, Quaker was informed by its sales representative in Chile that it had lost a bid for a $1.8 million a year account to a competitor from Mexico, solely as a result of the 11 percent tariff that Quaker must pay and not its competitor. This happened because Chile already has trade agreements in place with Mexico, Canada, the MERCOSUR countries and the European Union. Last year, Quaker sold approximately $300,000 of product into Chile. However, to do that it had to convince its Chilean customers that its product was of such higher quality that it was worth an additional 11 percent of cost due to the duties levied by Chile on U.S. exports.
(Source: Quaker Fabric Company) (Contact at Quaker: Larry A. Liebenow, President, (508) 678-1951).

Agriculture:

- Although U.S. agricultural exports to South America have increased over the last decade, the U.S. share of the region's total agricultural imports has fallen by more than half since 1985 -- from 42% to 22%. This decline is equivalent to an annual export loss of $2.6 billion and a related employment loss of more than 40,000 U.S. farm and non-farm jobs in 1996. More than 30 trade agreements are in place throughout Latin America, most of which the U.S. is not signatory to and which grant trade preferences to the countries that have signed the agreements. The granting of preferential trade benefits to some countries often comes at a costly price to U.S. producers and suppliers who are shut out of these markets due to higher tariffs and other barriers. For example, U.S. wheat farmers face an uphill battle exporting to Brazil, an $850 million market for wheat in 1996. Of that total, U.S. wheat exports amounted to $174 million. Tariffs on U.S. wheat and rice to Brazil are 10 percent and 20 percent, respectively. By contrast, most Argentine and MERCOSUR exports to Brazil now enter duty free. Argentina is one of the world's most prolific agricultural exporters; it always ranks in the top five country exporters of grains and beef to the world. The harmful effects of tariffs in South America and other parts of the world also are being felt by Washington state Apple producers, California wine producers, mid-western state soybean producers, and beef and pork producers.
(Source: USDA)

- Korea has emerged as the fifth largest market in the world for U.S. agricultural exports. It took in a record $3.8 billion worth of U.S. farm and food products in 1996. But Korean tariffs on agricultural products, over 60 percent on average, are still among the highest in the world. American farmers and companies like Pierce Foods of Moorefield, West Virginia, a lead manufacturer in the poultry and frozen foods industry, could be doing a lot more business there if these tariffs were reduced or eliminated. Korea's market has been recently liberalized for U.S. chicken, but the 28 percent tariffs and regulations adding up to another 30 percent place high-quality U.S. product at a severe price disadvantage. Without the added tariff and clearance costs, Pierce estimates that this market could produce sales of $5 to $10 million annually long-term. By contrast, the status quo limits Pierce penetration to annual sales about $1 million.
(Source: USDA) (Contact at Pierce Foods: Jeff Hester, President, (304) 358-2381).

The Rewards of Engagement:

The rewards of engagement in overseas markets, particularly for agriculture, are illustrative of the potential that exists in the global economy. An example of the success that can be obtained through agricultural exports and which is having an impact on the livelihoods of several hundred thousand farmers is that of Farmland Industries.

- Farmland Industries, Inc., headquartered in Kansas City, Missouri, is the largest farmer-owned cooperative in North America serving 500,000 farmer-rancher families through over 1,500 local cooperative members in 22 Midwestern States, Mexico and Canada. Also, more than 13,000 livestock producers are direct members of Farmland, marketing their hogs and cattle. U.S. producers now depend on exports for over 25 percent of gross receipts, which are anticipated to increase to 35 percent by 2003. In the past six years, these cooperatives have seen their international sales grow from less than $200 million to over $4.1 billion. In Mexico alone, since the passage of NAFTA, their sales have increased from less than $50 million in 1992 to $450 million in 1996.
(Source: USDA) (Contact at Farmland: Scott Schearer, Director of National Relations, (Harry Cleberg is the Chairman and leading the Fast Track advocacy efforts with the agriculture community) 783-5330).

The trend line does not deviate much for small businesses, which account for over 90 percent of U.S. firms involved in international trade.

- A husband and wife owned and operated business in Kenner, Louisiana, formed in 1992, entered the export market in 1995. Deep South Bowling Pro Shop, Inc., has experienced a dramatic increase in its international sales of bowling balls, going from $75,000 in 1995 to about $850,000 in 1996, in its primarily Asian and South American markets. Seven months into 1997, it is on the brink of surpassing its 1996 export sales figures, which make up 30 percent of their total revenue, while entering five new international markets. It is export sales which allows Deep South to order bowling balls at the most competitive price from manufacturers. At the start of the business, the couples dining room was their warehouse for the bowling balls. Today they have a 12,000 square feet warehouse, and are about to expand to a bigger warehouse.
(Source: Department of Commerce) (Contact at Deep South: David Scheuermann, Jr., Owner, (504) 467-0248).

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- Aster International Company in Cambridge, Massachusetts, is a minority-owned, women-owned small business marketing American-made crafts and giftware. Using a direct mail strategy, Aster commenced operations in November of 1995 earning $70,000 in export sales in the last two months of that year. In 1996, its sales to Korea, Singapore, Taiwan and Japan amounted to over $500,000. However, export sales could have been much higher had Aster been more established, as demand for its product included orders worth $1.2 million. This year, it expects to surpass $2.0 million in exports sales. Aster employs five full-time workers, as many as seven part-time workers during peak demand,

and at times out-sources to meet demand. It also uses strict guidelines for U.S. content and assembly of the product it sells, as consumers overseas associate high quality with American-made products and expect them to be genuinely American-made. (Source: Department of Commerce) (Contact at Aster: Leah Zveglich, Owner, (617) 354-7773).

- B.G. Imaging Specialties of Bronx, New York, is an exporter of used diagnostic imaging equipment to under-developed countries throughout the world that do not have the technology to produce such equipment and whose medical institutions do not have the capital to purchase new models of such equipment. In business since 1986 and currently operating with 25 employees, B.G. has doubled its revenue from exports and the number of employees in the last 4 years. In 1993, it undertook a major effort to expand its marketing activities, primarily in China up to that point, to other emerging economies, including: Russia, other newly independent states (former Soviet Union), India, Ireland and Latin America. Its revenue from exports has grown to about 90 percent of total sales and amounted to over $3 million in export sales in 1996. (Source: SBA) (Contact at B.G.: Bernard Glas and Stan Popeil, Co-owners, (718) 378-3100).

Medium-to-Large Exporters:

- Ingersoll-Rand, a major diversified industrial equipment and components manufacturer out of Woodcliff Lake, New Jersey supplies its products to a wide range of industrial and commercial markets world-wide. The company has 46,000 employees, with global sales approaching $7 billion -- approximately 40 percent of Ingersoll-Rand's total sales. By the end of the first decade in the new millennium, it expects its revenue derived from exports sales to increase to 50 percent. Products exported to Mexico alone came from Ingersoll-Rand's plants located in California, Georgia, Indiana, Kentucky (1,100 employees), North Carolina (3,500 employees), North Dakota, New York, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Vermont and Virginia. (Source: Ingersoll-Rand) (Contact at Ingersoll-Rand: Gordon Stables, Director of Government Affairs (Jim Perrella is Chairman of B.R. National Foreign Trade Council), (201) 573-3157).

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Steel Workers UNION Pres. to UST Employee

- Diamond Chain Company manufactures, develops and markets high quality precision roller chain which is used to transmit power and convey product throughout industry. Based in Indianapolis, Indiana, Diamond has experienced a steady growth in export sales since 1990, growing from 3 percent to 13 percent estimated for this year. The increase in sales has led Diamond Chain to hire 90 more people raising its employment rolls to $\boxed{700}$ people, and created a new and more diverse range of opportunities for its employees. (Source: Diamond Chain Company) (Contact at Diamond: Byron D. Speice, President, (317) 638-6431). (Garland Stoval -- Head of Steelworkers).

- Daedulus Enterprises, Inc., a high-tech company in Ann Arbor, Michigan, with 17 employees is one of a few manufacturers of highly specialized remote sensing systems worldwide. In business for 30 years, it has tapped a global demand for its product in uses as varied as waterborne pollution sensing to drug interdiction efforts. Its exports sales range between 50 percent and 66 percent of total sales annually and directly support five-to-ten employees. Daedulus earned over $1.2 million in revenue from exports in 1996 and $1.4 million this year.
(Source: Department of Commerce) (Contact: Tom Ory, President, (313) 769-5649).

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The Washington Times
TUESDAY, OCTOBER 21, 1997

Chief arms tracker for CIA plans to retire

By Bill Gertz
THE WASHINGTON TIMES

The director of the CIA's weapons proliferation center is retiring, a CIA spokesman said yesterday.

Gordon Oehler, who headed the CIA's Non-Proliferation Center for more than five years, decided to take the agency's early retirement offer, spokesman Bill Harlow said. He will leave the agency at the end of the month, he said.

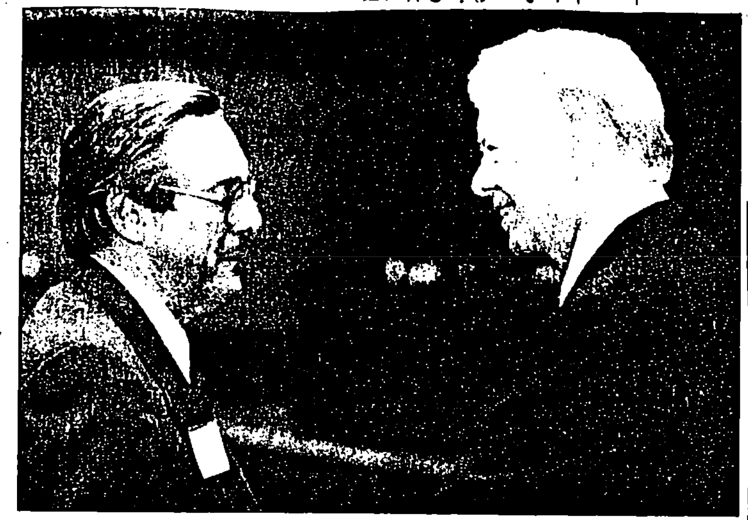
Mr. Oehler denied he was stepping down because of any policy differences, Mr. Harlow said.

Other U.S. government officials said Mr. Oehler was criticized by CIA Director George Tenet several months ago over the release of a center report that identified Russia and China as the leading weapons suppliers to rogue states.

Mr. Oehler also was a target of State Department intelligence officials who criticized him last year for his position on the controversy over Chinese M-11 missiles in Pakistan, the officials said.

Under Mr. Oehler, the center has been in the forefront of identifying and tracking several important issues, including China's 1996 sale of ring magnets — used to produce nuclear weapons fuel — to Pakistan and the more recent issue of Russia's involvement in selling missile technology to Iran.

Carter says 'fast track' is crucial for freer trade



AP

Former President Jimmy Carter talks with former Sen. Bill Brock during a conference on free trade at the Carter Center in Atlanta yesterday.

ATLANTA (AP) — Former President Jimmy Carter warned yesterday that the United States risks getting left behind in the movement for freer trade if President Clinton is denied "fast track" negotiating authority.

Fast-track authority requires a quick yes-or-no vote by Congress without amendments to proposed agreements.

"I think it is a very good concept," Mr. Carter said, adding that experience has shown that presidents, including him, with that authority, have had more success in negotiating agreements.

Congressional passage of fast-track authority is in doubt, with three weeks left before a target adjournment date for the year of Nov. 7. Mr. Clinton, back from a week's trip to Latin America, will make "a very strong effort" to add support, said Jeffrey Frankel, a member of the Council of Economic Advisers.

Mr. Clinton needs the authority to achieve a second-term goal of a hemispherewide free-trade agreement.

Mr. Frankel participated in a daylong seminar on free trade at the Carter Center, the former president's think tank and base for projects to promote democracy, human rights and health around the globe.

"Free trade is a crucial element in the strengthening of fragile democracies, in breaking down disharmony and distrust," Mr. Carter said. "It's very important as a way of equalizing opportunity."

Restraining the president's ability to negotiate could mean the United States will get bypassed by other nations who are negotiating for freer trade, Mr. Carter said.

"For us to get left out . . . is going to be a major setback," he said.

"How can we take advantage of this instead of seeing it as a threat to us?" Carter said of freer trade: "I don't see any group in the country, even peanut farmers in south Georgia, who won't be benefited."

Mr. Carter said the fast-track debate is largely a matter of politics, and Bill Brock, former U.S. senator and U.S. special trade representative, said the current controversy about campaign financing provides "some concept" of the power special interests have in Congress and the pressure there would be to amend trade agreements.

"The battle is not about a process called 'fast track,'" Mr. Brock said. "The battle is about the role of the United States in the global economy."

Mr. Clinton has more support from Republicans than fellow Democrats in Congress for current fast-track legislation, which is strongly opposed by labor unions. They argue that it opens the way for future trade deals that will encourage U.S. corporations to move operations and jobs to countries with low wages and lax environmental laws.

Clinton pressured on Cuba sanctions

Helms, U.S. allies squeeze from 2 sides

By Tom Carter
THE WASHINGTON TIMES

The Senate Foreign Relations Committee is turning the screws on the Clinton administration to comply with the Helms-Burton law in a move certain to anger U.S. allies even more.

At the same time, the administration is trying to prevent the European allies and Canada from taking their case to the World Trade Organization (WTO), which could rule Helms-Burton to be illegal.

The 1996 law was intended to tighten the 36-year-old economic embargo on Cuba. President Clinton has waived provisions of the law three times.

"Either the president starts to enforce the law or the Senate will be looking at taking away [the president's] enforcement authority," said a Senate Foreign Relations Committee staff member who spoke on condition of anonymity.

"Endless talks with the European Union cannot be an excuse for failing to enforce the law. It appears the Clinton administration is pulling its punches," he said.

At issue is the application of titles III and IV of the law, which was signed by Mr. Clinton in March 1996, days after Cuban jets shot down two light, unarmed U.S. civilian planes in the Straits of Florida piloted by opponents of President Fidel Castro's government.

Sponsored by Sen. Jesse Helms, North Carolina Republican, and Rep. Dan Burton, Indiana Republican, the bill has angered Washington's European allies and Canada, which view the law as an infringement on their sovereignty.

Members of Congress who want to strangle Mr. Castro's Communist system say their economic choke hold is being applied too lightly.

Title III of the law gives U.S. companies and individuals whose property was confiscated by the Cuban government the right to sue in U.S. courts anyone using those properties. The president has waived this provision three times, most recently in August.

Title IV denies U.S. visas to people who traffic in confiscated American property. The president does not have the authority to waive enforcement of this provision.

The European Union has threatened to take the United States to the WTO if its companies or citizens "incur damage" as a result of U.S. enforcement of the law.

"The United States has gone too far" because Helms-Burton violates the principle of national sovereignty, a senior Dutch official said yesterday.

Until now, the Clinton administration has used the threat of enforcement to pressure the EU into pushing Cuba toward democracy.

An Oct. 15 deadline to resolve the standoff passed with both sides pledging continued talks, but the deadlock remains.

"We are looking for a more flexible approach from the United States and are disappointed that the Oct. 15 deadline was passed," said Ella Krucoff, spokeswoman for the European Commission in Washington. "We reserve the right to go back to the WTO if one of our citizens or a company incurs damage."

Mr. Helms sent a letter to Secretary of State Madeleine K. Albright dated Oct. 3 demanding all correspondence and memorandums pertaining to Title IV and a list of all State Department personnel involved. It follows demands this spring for information concerning the State Department's enforcement of Title III.

The Oct. 3 letter criticizes the president for failing to enforce Helms-Burton.

"The president did not even try to address my concern that the administration was pulling its punches by failing to deny U.S. visas to these traffickers" of Cuban property once owned by Americans, the letter said.

'Coffee tape' doctoring denied

White House lashes out at Burton's suggestion

REUTERS NEWS AGENCY

The White House yesterday flatly denied that it doctored any of the videotapes showing President Clinton courting Democratic donors during the 1996 presidential campaign.

Asked if the tapes were handed over to Congress in their entirety, without editing, White House Press Secretary Michael McCurry told reporters: "Of course they were. There wouldn't be any reason to provide them in any other fashion."

Rep. Dan Burton, Indiana Republican and chairman of the House committee investigating fund raising in the campaign, said Sunday he believed some of the tapes might have been altered by the White House.

At his daily briefing yesterday, Mr. McCurry snapped, "If he has any evidence to that effect, he should produce it. I suspect it will be like suggestions that he's made in the past that are completely baseless."

At issue are 100 or so hours of tapes turned over to federal investigators and congressional committees last week. The material was part of a second batch of videotapes of Mr. Clinton with donors belatedly made public by the White House in response to subpoenas and document requests.

The tapes contain at least two abrupt breaks, said by Clinton aides to reflect the way in which an official cameraman filmed events, not White House editing.

Mr. McCurry said that for practical purposes some tapes were copied onto longer "master" cassettes but insisted that there had been no changes.

The Justice Department, as well as House and Senate panels, is investigating whether any laws were broken by Mr. Clinton in soliciting campaign donations last year.

The Washington Times
TUESDAY, OCTOBER 21, 1997

RICK BUCHANAN

On the fast track to a Republican wreck

When Bill Clinton called a special session of Congress in 1994 to win approval of his giant General Agreement on Tariffs and Trade (GATT) treaty, one feature in particular of that trade deal stuck in the craw of conservatives.

Mr. Clinton had yielded U.S. sovereignty to a world court of trade, the World Trade Organization, where for the first time America submitted to a one-nation, one-vote formula — and surrendered its veto power. In the WTO, the United States has the same voting power as Ecuador.

Populists were outraged that their country had been dragooned into a United Nations of world trade. Constitutionalists were appalled.

Why did Congress not simply kill that one feature of GATT? Because Congress had surrendered its constitutional right to do so!

When it agreed to "fast track" in 1974, Congress gave up its right to amend trade treaties. Future congresses were restricted to voting "yes" or "no" on whatever deal a president brought home.

After 1994, however, Mr. Clinton's fast-track authority expired, and Congress regained its authority to amend trade treaties. Yet, amazingly Mr. Clinton is again demanding that Congress surrender this right, and conservatives are anxious to accommodate him.

Why, after the North American Free Trade Agreement (NAFTA) disaster, would a GOP Congress agree to rubber-stamp the next Clinton trade deal? Because Republicans are blind to the realities of the new global economy, where imported manufactures equal more than 50 percent of U.S. production, where U.S. merchandise trade deficits are approaching $200 billion, where trade treaties can cost a party a presidential election.

Bill Clinton is putting a new label on the political rat poison he wants Republicans to swallow.

Can Republicans not see how the world has changed? Trade is no longer the stuff of bipartisan consensus. Trade and sovereignty are the issues on which the politics of America and Europe are being reshaped and conservative parties smashed to pieces. For Congress to yield, in advance, its right to amend trade treaties is to leave the GOP's future in the hands of Mr. Clinton and his trade negotiators.

Mr. Clinton knows this! In the White House speechwriting shop, the term "NAFTA expansion" — what fast track is all about — is banned; the term fast track itself is being replaced by "Renewal of Traditional Trading Authority." As The Washington Post reports: "[I]f they can redefine the lingo, administration officials figure, they may erase some of the imagery associated with Clinton's plan, making it more salable to the public and ... Congress."

Translation: Bill Clinton is putting a new label on the political rat poison he wants Republicans to swallow.

Indeed, he has to. For while Republicans may still consider themselves proud papas of NAFTA, to Middle America, NAFTA has come to mean narcotics from Mexican cartels pouring into U.S. cities, manufacturing plants shutting down, jobs going south, illegal immigrants pouring north, $50 billion bailouts at the expense of U.S. taxpayers, and schoolkids getting sick on NAFTA-berries.

The NAFTA lobby routinely trots out its all-purpose excuse. This isn't the fault of NAFTA, they say, but of a peso devaluation no one could foresee. But many did see devaluation coming, Ross Perot among them. And currency manipulations have become a favorite scam of regimes seeking to export their way to prosperity at our expense. Like Mexico, the nations of Southeast Asia are right now devaluing their currencies to cut imports and increase exports to the U.S.A.

What are foreign countries doing with the mountains of dollars from their U.S. trade surpluses? Buying U.S. Treasury bonds and T-bills so American taxpayers will be forever transferring billions in annual interest into their vaults. As of April, our "trading partners" held $1.215 trillion — more than twelve hundred billion dollars — in Treasury securities. Japan alone held $300 billion; China and the Asian "tigers" $172 billion; OPEC, $53 billion; Canada-Mexico, $44 billion.

So vulnerable has the United States become that when Prime Minister Ryutaro Hashimoto hinted he might dump Japan's hoard onto the market, the Dow-Jones Industrial Average had a near-death experience.

If Congress grants Mr. Clinton fast-track authority to expand NAFTA, it will raise a question: What exactly is Congress for? It has surrendered the power to make war to the president and its power over social issues — abortion, quotas, education — to the Supreme Court. If Congress doesn't do trade, what does it do?

Whether pro-NAFTA or anti-NAFTA, free trader or economic nationalist, why would Republicans unilaterally surrender their right to amend trade treaties to Clinton-Gore, when those treaties could mean the difference between defeat and victory in 2000?

Can it be that John Stuart Mill was right when he called the Tories "the Stupid Party"? We shall see.

Patrick Buchanan is a nationally syndicated columnist.

CAL THOMAS

No change in the combination

Secretary of State Madeleine Albright's first official visit to Israel began on the right note. She met for three hours with Palestine Liberation Organization (PLO) leader Yasser Arafat during which she reportedly lectured him on the necessity of cracking down on terrorism, something over which he has always claimed to have no control.

But it wasn't long before Mrs. Albright slipped back into the predictable State Department moral equivalency mode and began criticizing Israel as equally responsible for the deterioration of the so-called "peace process." She asked that Israel stop building new homes because such housing is regarded as "provocative" by Palestinians. In fact, the PLO was "provoked" long before the beginning of the modern settlements. That's because, for the PLO, Israel's existence is a provocation. Besides, the Har Homa housing project that currently provokes the PLO is in Jerusalem, a city not covered by the 1993 Oslo agreement.

Mrs. Albright blamed both Israeli Prime Minister Benjamin Netanyahu and Mr. Arafat for failing to live up to "their full obligations as partners in peace" under Oslo. But Israel has not violated one clause of Oslo. Even if a violation could be found, it would be like equalizing murder and a parking ticket.

Unlike some other visits by former secretaries of state, the Albright trip did not take place because there was a deadlock in negotiations. It came in the wake of sustained and deliberate violations by the PLO of major commitments, culminating in a series of terrorist acts in Jerusalem which targeted noncombatants. How much are these terrorists and suicide bombers encouraged when Israel, through world pressure, is forced to release known terrorists from prison as a "confidence-building" gesture? Whose confidence is being built?

Mrs. Albright's real agenda emerged when she revealed the substance of a supposedly private conversation with Israel's President Ezer Weizman in which he criticized Mr. Netanyahu. Apparently she had been the source of the quote published by Israel's media, but her attitude reflects State Department policy going back to the Bush administration and beyond. That policy holds that Israel is the obstacle, and that if Israel will simply give the PLO and Arab states what they want, peace will blossom. The trouble is, they want it all and have no intention of coexisting with people they consider infidels. Why do so many people find that difficult to believe when the Arabs say so publicly and in written documents?

Rather than base American policy on performance — the PLO's performance since Oslo is a litany of broken promises and a trail of bloody terrorism — Mrs. Albright calls for more promises of good behavior. This isn't, or shouldn't be, about measures that make diplomats feel good (and look good). This is about life and death and a future for the Jewish people and their homeland. You can't negotiate with people who want you dead. Mrs. Albright has failed to establish proven compliance as the prerequisite for a genuine and sustained dialogue with the PLO. Instead, she indicates promises of compliance are enough. As a result, Mr. Arafat does not feel he has to change his objectives, only his tactics.

There are no disembodied "enemies of peace," as the State Department likes to say. An agreement has been signed. Though it is flawed and not in Israel's best interests, one party is not being held accountable to the document. Diverting blame from Mr. Arafat and refusing to hold him responsible for his many violations, including his collaboration with the terrorist Hamas organization, is like treating a serial killer as dysfunctional and sending him to a psychiatrist instead of holding him morally culpable for his acts and sending him to the gallows.

If Secretary Albright wants to fuel progress toward a final peace settlement, she should encourage Israel to refrain from dealing with Mr. Arafat until he fully complies with all his commitments and extradites all wanted terrorists. She correctly alluded to America's assertive attitude and leadership against Saddam Hussein and Moammar Gadhafi. A similar attitude and leadership style toward Mr. Arafat might produce a more favorable end game than the endless game now being played out by terrorists and suicide bombers hoping to force Israel to assist in its own destruction.

Cal Thomas is a nationally syndicated columnist.

WALTER MEARS

Finished before the odds were tallied

Quixotic but not quick, a Republican joust stirred by a Democratic nomination, William F. Weld's doomed quest to become ambassador to Mexico was a campaign as improbable as the outcome was certain.

The implacable Sen. Jesse Helms said before the nomination was sent to the Senate that it would not pass. He wouldn't hear of it in the Senate Foreign Relations Committee, which meant nobody else would.

The only way around the chairman's prerogative to prevent a hearing was to persuade him or compel him to relent. Mr. Weld didn't try the former, saying he was not in the habit of going on bended knee to kiss rings, or anything else.

And he and his supporters couldn't accomplish the latter, especially with Sen. Trent Lott, the majority leader, having declared long since that the nomination was dead and ought to be withdrawn.

So Mr. Weld, unable to beat them as he had been unable to join them a year ago, surrendered on Monday to the hidebound habits of the Senate, leaving with a parting salvo at Mr. Helms, North Carolina, from an unlikely pulpit in the White House briefing room.

Actually, Weld's confirmation was undone even before President Clinton submitted it, just short of eight weeks ago, and before Mr. Weld resigned as governor of Massachusetts to spend his time campaigning for confirmation.

But it was a campaign in which one vote was vital, and Mr. Weld never was interested in catering to Mr. Helms, although he said he'd tried repeatedly to arrange a meeting with his nemesis.

Before Mr. Clinton nominated him, Mr. Weld had accused Mr. Helms of ideological extortion, said the struggle was over the future of the Republican Party rather than his qualifications to be ambassador, added he was not Mr. Helm's kind of Republican and didn't want to be.

Mr. Helms said Mr. Weld wasn't ambassadorial quality, accused him of being too permissive on drugs, and set the barricades.

It was a grudge match, with origins long before. Running for the Senate last year, Mr. Weld had declined to say whether he would vote to retain Mr. Helms as chairman of the Foreign Relations Committee. The answer was evident. He had raised the wrath of Mr. Helms and other GOP conservatives by supporting abortion rights in the party's regular convention struggles on that issue.

After withdrawing, Mr. Weld said he didn't regret his confrontational tactics in the confirmation campaign. He said a different course wouldn't have changed the outcome.

"For some reason, he was lying in wait for me," Mr. Weld said. "I don't know whether it was holdup or payback."

A day before he surrendered, Mr. Weld was on national television, declaring he would fight on to open the process, and have the Senate itself, not Mr. Helms alone, decide on the nomination.

But by Monday morning, he said, he'd decided that pressing the campaign, even though he thought he could have won by kicking up the ruckus, would put other foreign policy aims at risk, including the trade negotiating authority Mr. Clinton wants Congress to renew.

Mr. Helms had warned the White House that the Weld affair could have an impact on other administration interests. Mr. Weld praised the president for his backing, but also said Mr. Helms had created "something of a miasma of fear in some quarters, which I would rather see dissipated."

Mr. Clinton said he was disappointed, and that Americans were not well served because they were denied their voice when the Senate was kept from voting on Mr. Weld.

This is not unfamiliar business. It was the eighth time a high-profile Clinton nominee has foundered. But it also is a first, since the Weld case displays a Republican rift. Mr. Clinton said he'd worked for bipartisanship in foreign policy, and the divisiveness reflected in this case does not serve the American people.

Still, it is GOP discomfort. "I suspect there will be some price paid on that side of the aisle," said Mr. Clinton's spokesman, Mike McCurry.

"To the extent that people are looking at Jesse Helms as the face of the Republican Party, I think that carries a certain amount of freight with it," Mr. Weld said.

He said he's going home to New England, where people don't have to kneel to get government to do its job, but will be an active, vocal Republican.

And perhaps a candidate for its presidential nomination, although that would be the longest of shots for a moderate without a platform or base.

"I've had enough of Washington for the next little while," he said.

But not necessarily for good.

Walter R. Mears is vice president and columnist for the Associated Press.

The Washington Times
WEDNESDAY, SEPTEMBER 17, 1997

Clinton Faces Off With Congress on Trade

By ALISON MITCHELL

WASHINGTON, Sept. 16 — President Clinton put his personal prestige on the line today, traveling to the Capitol to fight for new authority to negotiate trade deals in the face of muscular opposition from House leaders of his own party.

Mr. Clinton and Vice President Al Gore appeared before a fractious caucus of House Democrats as senior Administration officials unveiled the trade legislation and then fanned out across the Capitol to sell the proposal at the heart of Mr. Clinton's second-term economic agenda.

The measure would grant Mr. Clinton what is often called "fast track" authority to negotiate trade agreements that Congress can approve or disapprove but not amend. Such authority has been held by every President since 1974. But it expired two years ago and Mr. Clinton chose not to push ahead with a vote that would have splintered the traditional Democratic coalition as he headed into a Presidential election year.

Today, however, Mr. Clinton joined the battle, arguing that expanded markets were crucial to continued prosperity. "Today 12 million American jobs are supported by exports," he said at the White House before his meeting with Democrats. "Today at the pinnacle of that strength, America must choose whether to advance or retreat. I believe the only way we can continue to grow and create good jobs in the future is to embrace global growth and expand American exports."

But the President did not mollify hard-core opponents in his party, who argue that American workers are hurt by competition with third world nations that have lower wages and lax environmental standards. Representative Richard A. Gephardt, the House minority leader and a likely primary opponent to Mr. Gore in the year 2000, nearly shouted his opposition after Mr. Clinton left.

Referring to a trip he made last week to the border with Mexico to survey living conditions, Mr. Gephardt said, "The people we met over the weekend are living in subhuman conditions. It is wrong."

The A.F.L.-C.I.O., meanwhile, announced that it had begun airing television and radio commercials against the measure at an initial cost of $1 million in the districts of 13 undecided lawmakers of both parties as well as radio ads throughout California.

While Mr. Clinton had planned to put forth the legislation last week, the White House delayed it as it sought ways to write a bill that could attract more Democratic support without losing Republican votes.

In the end, the bill contained some provisions designed to address objections from Democrats, organized labor and environmental groups. The legislation promised consultations with Congress and listed "workers rights and environmental protection" as negotiating objectives that the United States would pursue through the World Trade Organization.

Administration officials also pledged that the President would use his executive authority to negotiate separate side agreements on labor and the environment.

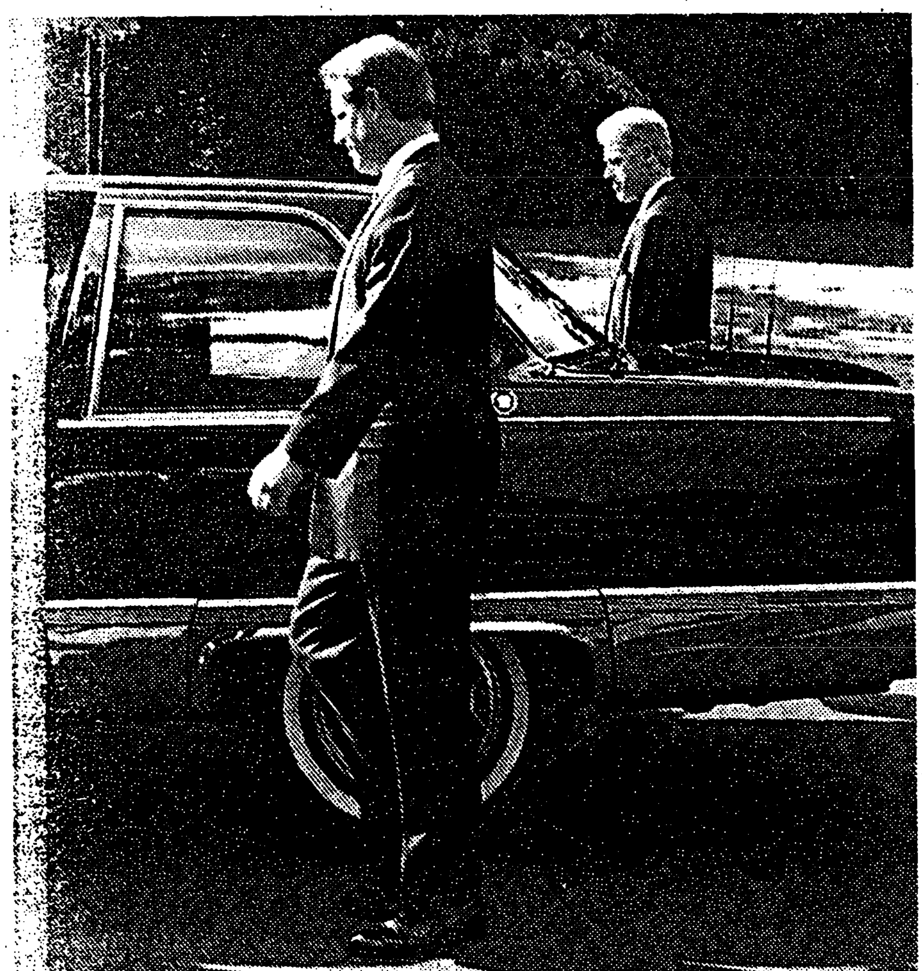
But the bill largely tracked language favored by Republicans and stopped well short of what many Democrats and labor unions wanted to see — the placement of labor and environmental standards at the heart of any market opening accord, enforced by the threat of trade sanctions.

In a sign of just how delicate the balancing act is for votes in the Republican-controlled Congress, Senator William V. Roth Jr. of Delaware, the chairman of the Senate Finance Committee, said he thought the bill "provides a reasonable base on which to start" but added that he had some reservations about the labor provisions that had been included in the legislation.

With the vote on the trade bill likely in October, a major question will be whether the Administration's pledges to heed labor and environmental concerns will be enough to sway undecided moderate Democrats. Senator Tom Daschle of South Dakota, the minority leader, said the steps the Administration had taken were "encouraging" but that he had not decided what to do. "Obviously, there is a good deal of difference of opinion," he said after Cabinet-level officials briefed Senate Democrats.

Representative Dick Armey of Texas, the House majority leader, predicted that it would be a "tough job" to pass the bill. "The President will have to participate in that very fully, as we will on our side of the aisle," he said.

Shadowing the trade debate are memories of a similar fight in 1993 over the North American Free Trade Agreement which involved trade with Mexico and Canada and which Mr. Clinton won with mostly Republi-



Stephen Crowley/The New York Times

Vice President Al Gore and President Clinton boarding the motorcade to Capitol Hill yesterday to meet with Democratic Congressmen. The President is seeking new authority to negotiate trade deals.

The New York Times

WEDNESDAY, SEPTEMBER 17, 1997

THE AD CAMPAIGN

$1 Million Push by Labor on President's Authority Over Trade

The A.F.L.-C.I.O. said it was spending $1 million this week alone to broadcast this 30-second commercial in 14 Congressional districts where members have indicated they will support President Clinton's drive for new authority to negotiate trade deals. At the end of each ad, viewers are urged to call their member of Congress to oppose the measure. The commercial began appearing yesterday.

PRODUCER Axelrod and Associates, Chicago

ON THE SCREEN This fast-paced ad opens with a man on the street questioning the need for "fast track" trade legislation. It zooms in on a belching smokestack to dramatize possible environmental affects of the measure. And it shows a little girl eating strawberries, to underscore the risks of contaminated food. To make an argument that fast-track authority would needlessly hasten "flawed trade deals," a rubber stamp dominates the screen as a hand stamps it down, leaving the imprint, "Approved."

THE SCRIPT Man on Street: "Stop and think and reason these things through."

Woman on Street: "Why not get it right?"

Announcer: "What is Fast Track? Special powers to rush through flawed trade deals like Nafta, stripping Congress of the right to fix them. Since Nafta: hundreds of thousands of American jobs exported. More pollution along our border. Tainted food on our shelves."

Another Man on Street: "I'd rather see fair trade deals than a fast one."

Announcer: "Tell Congressman (Name) to vote no on Fast Track so he can fight for trade deals that work for us."

ACCURACY The commercial warns that Nafta has led to the loss of hundreds of thousands of American jobs, more pollution along the border and tainted food on the shelves of American supermarkets. But it is not so easy to pin all of those changes on Nafta.

For example, manufacturing jobs in the United States have declined for years, but most major studies have found no evidence that those declines are directly attributable to Nafta. The peso crisis in Mexico, which occurred around the time Nafta took effect, may have also played a role in costing jobs.

As for pollution, there are clearly serious problems on the border. Many environmental groups raised concerns that Nafta would encourage more production in Mexico, where environmental controls are sometimes less stringent than in the United States. But, again, it is virtually impossible to know how much of the pollution is directly attributable to Nafta.

As for tainted food, the General Accounting Office of Congress found in May that Nafta had led to fewer inspections of Mexican trucks carrying more food into the United States. But there are few scientific data to support — or undermine — a sweeping generalization linking Nafta to contaminated food.

SCORECARD John J. Sweeney, president of the A.F.L.-C.I.O., said: "We're trying to get the message of the high road in terms of addressing workers' standards, environmental protection, public health and human rights in our trade agreements."

But this campaign style ad oversimplifies the complicated debate over the effects of Nafta. It deftly uses compelling images and simple, even frightening, language to build its case.

RICHARD L. BERKE

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can votes.

The Administration insisted at the time that it would be a boon to the economy. But an Administration assessment earlier this summer suggested that at most 90,000 to 160,000 American jobs rely on increased exports to Mexico as a result of that pact. In a booming economy that has created 13 million new jobs over the past four and a half years, that figure is hardly significant.

The critics of Nafta point to a United States trade surplus that has turned into a $16 billion trade deficit and say that American jobs are moving out. They also argue that the "side agreements" with Mexico on environmental and labor matters have not brought about reform and will not unless made a central part of trade agreements, with United States sanctions wielded as a threat.

Charlene Barshefsky, the President's chief negotiator, sought to rebut that viewpoint today by noting that the goal of trade agreements is to open rapidly growing markets to United States exports. "It is not realistic to suggest that countries will rewrite their domestic labor and environmental laws for the privilege of buying more of our goods," she told reporters as she made her way around the Capitol.

Mr. Clinton and Mr. Gore met with House Democrats for more than an hour and tried to keep the mood civil despite the sharp differences. Democrats who participated in the closed-door session said more Democrats argued against the trade agreement than for it, and at times, participants said, the tone of the meeting turned testy.

The New York Times
WEDNESDAY, SEPTEMBER 17, 1997

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The New York Times
WEDNESDAY, SEPTEMBER 17, 1997

'Fast Track' Issue Deserves Fast Action

By Bob Dole and Lloyd Bentsen

WASHINGTON

During more than two decades of divided government, Democrats and Republicans have often set aside their differences to take collective action on matters promoting our nation's interests beyond its borders. The next issue that calls for bipartisan leadership is the passage of legislation granting the President "fast track" authority — a contract between the executive and legislative branches in which the President can negotiate trade deals knowing that the results will receive an up or down vote, without amendments, in return for a commitment that the Administration will consult Congress in the negotiations.

As Senate colleagues from different political parties, we joined in voting to give fast-track authority to every President from Gerald Ford to George Bush. Today, as law firm colleagues, we agree that Congress and the Administration must set aside partisan differences to grant President Clinton this same authority. The United States must act now to take advantage of our status as the most competitive economy in the world to insure our future prosperity. To do that, Congress must decide to compete, not retreat.

The United States is, once again, the world's largest exporter. Our current seven-year period of sustained growth, with extraordinarily low unemployment, has been fueled in large part by international trade. More than a quarter of our economic growth and more than 10 million jobs are the direct result of trade.

Without passage of fast-track legislation, however, our success in selling American products to the world will be at risk. Inaction carries a very high price. Although we are currently well positioned to compete, other countries have recently been negotiating trade agreements that will allow them to move ahead of us into developing markets — even in our own backyard in Latin America.

Since 1992, 20 free trade pacts have been negotiated in Latin America and Asia that exclude the United States. China, for example, has aimed at Argentina, Brazil, Chile, Mexico and Venezuela as "strategic priorities" to develop bilateral trade.

Give the President the power to make trade deals.

Fast-track authority will allow President Clinton to negotiate agreements to break down trade barriers in areas where the United States is most competitive, like agriculture, telecommunications, financial services and medical equipment. It will allow us to retain our leadership in exports by focusing on developing economies, where the bulk of international growth will occur in coming years.

The coalition that passed the North American Free Trade Agreement and the General Agreement on Tariffs and Trade must come together again to pass a fast-track bill this fall. If legislation does not pass in short order, next year's contentious elections may delay passage until the 106th Congress — and 1999 may be too late. If we don't act quickly to shore up trade relationships in Latin America and Asia, other countries will.

Passage of fast-track legislation is critical to insure that our economy continues to grow at its present rate. In fact, the success of this year's budget agreement depends on maintaining steady growth. As much as any other issue, the fate of the fast-track bill in 1997 will determine whether our budget balances in 2002.

While we are the world's largest exporter, we also continue to import more than we export. The best way to shrink the resulting trade deficit is to persuade other countries to eliminate their trade barriers, enabling us to export even more goods, services and agricultural products. That, in turn, will create more and better-paying American jobs.

Given the public's general ambivalence about trade matters, it would be easy for either party to try to score political points by criticizing responsible proponents of free and fair trade. Criticism is easy. Leadership requires hard work. Our leaders must step forward, now, to do what is right for America's future. □

Bob Dole, the 1996 Republican Presidential nominee, is the former Senate majority leader. Lloyd Bentsen, the former Treasury Secretary, is a former Democratic Senator from Texas.

Let's Make a Doctor, Or Let's Make a Deal?

By David J. Rothman

Before conducting a recent seminar on medical ethics for interns and residents in orthopedic surgery, I reviewed the questions residents are typically asked on this subject in the Orthopedic In-Training Examination, the annual test they are given to assess their progress. These multiple-choice tests also prepare them for the exam they will take at the end of their residency to become board-certified orthopedists.

Some of the questions on ethics from the 1995 test explored the doctor-patient relationship (suppose a patient rejects your advice), while others addressed doctor-doctor issues (suppose you discover that your colleague is a substance abuser). But the most interesting and troublesome questions were about a newer area of ethics in medicine: money. And to judge by the "correct" answers, doctors have not begun to grasp the issues at stake.

Take question 171, which considers what is known as fee-splitting, or, in more straightforward terms, kickbacks for referrals:

"You receive regular surgical referrals from a colleague who is fellowship trained in nonsurgical sports medicine. He suggests that he should receive some reimbursement for these procedures. Which of the following payment arrangements is most acceptable?

1. Pay him an agreed amount per referral.
2. Pay him annually on a contractual basis.
3. Have him scrub [prepare for surgery] and bill an assistant's fee.
4. Share an office and you pay overhead.
5. Establish a private corporation, with both physicians on salary."

The "correct" answer is No. 5. The idea that you might tell a colleague that a patient has a right to expect that a doctor will send him to the best surgeon, and that the doctor's decision will not be based on whether he has a financial stake in the referral, is not even an option.

Or take question 270, addressing the relationship between doctors and drug companies or manufacturers of medical equipment. (It was a drug company that paid for the Chinese take-out residents ate before the seminar I taught.)

"An orthopedic surgeon desires to go to an educational meeting. A local sales representative informs him that his parent company has money allocated to support physician education. Which of the following payment scenarios would be most appropriate?

1. A direct donation from the sales representative to help pay for the cost of the meeting registration.
2. A direct donation from the parent company to help pay for the cost of the meeting registration.
3. The sales representative subsidizing the conference's organizers to defray the cost of the meeting registration.
4. The sales representative subsidizing travel and lodging accommodations.
5. The parent company subsidizing registration, travel and lodging accommodations."

The "correct" answer is No. 3. Though orthopedic surgeons earn on average more than $400,000 a year, the idea that they might pay their own way to a conference so that they are not beholden to a drug company isn't even considered. Once again "none of the above" does not make an appearance.

At a time when managed care companies are manipulating physician salaries and benefits in an effort to get doctors to provide fewer services to patients, the next generation of doctors must be better trained about ethics and the marketplace.

When residents are offered what amount to kickbacks or payoffs, they shouldn't think that the right answer is to set up a new corporation or reroute the money. □

David J. Rothman, a professor of social medicine at Columbia College of Physicians and Surgeons, is the author of "Beginnings Count: The Technological Imperative in American Health Care."

A Pandora's Box of Drug Legislation

Keep the F.D.A.'s standards high.

By Frank Clemente

WASHINGTON

The recent debacle in which two diet drugs were taken off the market because they may cause heart valve damage shows clearly how the passage of legislation being debated in the Senate this week would make similar problems even more likely.

The legislation would let drug companies promote medications for uses other than those for which the Food and Drug Administration originally gave approval. Now, drug companies are prohibited from promoting these so-called off-label uses — even though doctors can legally prescribe the drugs for those purposes.

Fenfluramine, one of the diet drugs withdrawn this week, is an example of the dangers of expanding off-label use of drugs: the F.D.A. approved it to be used by obese patients for only a few weeks at a time, but some doctors have been prescribing the drug for long-term use to patients who were only slightly overweight. The F.D.A. estimates that as many as 30 percent of the millions of people who took fenfluramine or dexfenfluramine, the other diet drug withdrawn, may suffer heart valve abnormalities. Just imagine how many more people would be affected if the drug companies had been allowed to promote fenfluramine for anyone wanting to lose a few pounds.

Moreover, the proposed legislation would scrap a requirement that tracks all life-sustaining medical devices implanted in the body, like pacemakers and coronary stents. This protection was put in place in 1990 after a company that manufactured a defective heart valve could track down and warn only half of the people who had had the device implanted. Some people died because they were unaware of the symptoms that indicated a malfunctioning valve.

Another part of the bill would let private companies replace the F.D.A. in reviewing the safety and effectiveness of medical devices. But these for-profit companies can't judge the products objectively. Review firms may already have valuable contracts to test products for the companies making medical devices. These review companies might be tempted to approve a device rather than jeopardize their relationship with a manufacturer.

There are also plenty of critical safeguards that should be in the bill, but aren't. The F.D.A. can legally recall a drug, but it has a hard time doing so because the administrative procedures are so complicated. In practice, drug companies usually have to recall a product voluntarily, as the manufacturers of fenfluramine and dexfenfluramine did.

And the F.D.A. can't even subpoena documents and studies from drug and medical-device companies. That makes it difficult to determine what role, if any, the manufacturers may have played in improperly promoting fenfluramine and dexfenfluramine to doctors and weight-loss clinics.

There's a simple solution to this mess. Congress should simply reauthorize the Prescription Drug User Fee Act, which was passed in 1992 and has successfully speeded up the approval of drugs by providing the F.D.A. with a larger budget to hire more people who conduct reviews of new drug applications. The alternative is a future of needless injuries and deaths. □

Frank Clemente is director of the Congress Watch program of Public Citizen, a consumer group.

The New York Times

WEDNESDAY, SEPTEMBER 17, 1997

'Fast-Track' Decision Is Slippery Slope for Northwest Legislator

By Terry M. Neal
Washington Post Staff Writer

A1

SEATTLE—Karen Hiott doesn't need a political consultant to tell her what will happen if her congressman, Adam Smith, votes to give President Clinton authority to negotiate "fast-track" trade agreements with other countries.

"He probably won't be reelected," said Hiott, lounging in the back yard of her suburban Puyallup home, with snow-capped Mount Ranier looming grandly to the east. "Our union watches these labor issues very closely. And this is an important one. It's a very, very active union."

If fast-track is an arcane issue to many Americans, Hiott, a Boeing Co. machinists union shop steward, is not among them. Clinton yesterday proposed legislation to give him authority to negotiate trade agreements that Congress cannot amend, only vote up or down. Organized labor and environmentalists are opposing it vigorously, as they did with the NAFTA pact in the early 1990s. Big business is strongly behind it and Clinton appears ready to put the full might of his popularity behind the measure.

Smith is among a handful of lawmakers who are undecided, making themselves targets for intense lobbying from both sides. The outcome of what is expected to be a very close vote may come down to what a few moderate Democrats like Smith do.

"Adam's got a tough decision to make," said Fred Benson, vice president of federal and international affairs for Weyerhauser Co., a giant private timber company based in Smith's

See SMITH, A4, Col. 1

SMITH, From A1

district. "This certainly has all of the ingredients for a lot of tension."

Benson said his company, the nation's largest exporter of softwood products, plans to lobby Smith now that the bill has been released by Clinton. But, he said, the company never conditions support for a candidate on a single issue and wouldn't oppose Smith based solely on a vote against fast-track.

On this issue, Smith is in as tough a position as anyone in Congress. His state is among the most trade dependent in the country. At the same time, the 9th District has perhaps the strongest union presence in a strong labor state. Snuggled around the southern end of Puget Sound and west of the Cascade Mountains, the district is home to thousands of low- and medium-skilled union workers such as Hiott, who makes insulation blankets for commercial airplanes. It is a district that has in many ways benefited from freer trade around the world—and that remains suspicious of it.

The district is predominantly suburban, white and blue collar, with a median household income of about $32,000 a year. It includes some high-income communities, particularly around Puget Sound. The employment base includes offices and factories around Sea-Tac International Airport and shipyards and docks in Tacoma. Thousands of residents are associated with the Fort Lewis army base.

Officials at Boeing, which employs about 16,000 people in Smith's district and is the nation's number one exporter, yesterday reiterated their support for fast-track, but said they hadn't seen Clinton's bill and refused to comment specifically on it.

The majority of Boeing's commercial sales are overseas, said spokesman Maria Sheehan. Fast-track, company officials argue, will help open up foreign markets so it can better compete with its only commercial competitor, Airbus. That will increase, not reduce jobs domestically.

"Sure, this gives Boeing a better opportunity to sell planes to Mexico," replies Linda Lanham, political director for the machinists' union in Smith's district. "But then Mexico says, 'We'll buy your planes but we need you to move some jobs to Mexico.' That's what concerns people. They don't want to worry about losing their jobs to a foreign country."

Smith has also heard from advocates far from home. The opposition lobby, which has been extremely organized, is coordinated from Washington, D.C., by groups such as the Citizen Trade Campaign, an arm of Ralph Nadar's consumer and environmental group Public Citizen.

This summer, Smith and 14 other Democrats were invited to the White House, where Clinton and Vice President Gore wooed them. Smith said it's the only time he's been personally lobbied by Clinton. It will probably not be the last.

Fast-track is a huge issue for Clinton, who believes he needs it to craft other NAFTA-like agreements and shore up his legacy as an international leader in his last few years of office, White House sources said.

Top administration officials have paid Smith a couple of visits on Capitol Hill. And U.S. Trade Representative Charlene Barshefsky has called on the New Democratic Coalition, a moderate group that includes Smith as a member. For the moment, though, they don't appear to be winning the day.

Smith said his dilemma is that he prides himself as a supporter of free trade, but questions how far the country should go in trying to address labor and environmental concerns. The question, he says, is not whether to trade, but how to do it.

Tall, clean-shaven and fresh-faced, the 32-year-old Smith's legislative style embodies the personality of his district. Washington doesn't register voters by party, but Smith's district is generally thought to be equally split among Democrats and Republicans, with a plurality of independents.

The 9th District has shown a willingness to boot first-termers. In 1996, the moderate Smith defeated conservative Republican Randy Tate, who defeated liberal Democrat Mike Kreidler in 1994.

In an interview in his Capitol Hill office yesterday, Smith said he has spent the last few months listening to all sides. He said he's leaning toward opposing the measure, based on his concern that it doesn't sufficiently address environmental and labor concerns.

But if the pressure bothers him, Smith does a good job of hiding it.

"I don't sit around going 'Oh my God, oh my God, oh my God, I'm going to lose my job," Smith said, whose deceased father was a baggage handler and member of the machinists' union. "If I think that way, I probably deserve to lose my job."

Last year, the AFL-CIO and Sierra Club spent tens of thousands of dollars on a television ad campaign aimed at Tate—ads which helped Smith win 50 percent of the vote to Tate's 47. This year, in meetings in his district office, union leaders and environmentalists have not been shy about reminding Smith of the role they played.

"This is an important issue, and [the state's congressmen] need to know the consequences of how they vote," said Rick Bender, president of the Washington State Labor Council, who has personally lobbied Smith.

In the end, it may be the number of those workers and their unease with global trading rules that outweighs the evidence by the management of Boeing, Weyerhauser and other companies that trade has been a great boon to the economy.

That would be people like Frances Fialho, an electronics technician who hasn't lobbied Smith. Last year, the electronics manufacturer he worked for in Smith's district closed and moved its plant to Mexico. He said 150 workers lost their jobs. Workers at his plant were able to apply for an extension in unemployment benefits Congress approved for people whose loss of their jobs could be attributed to NAFTA.

Fialho said he's using the money to go back to school for computer training. But the upheaval in his life has been very stressful, he said.

"They're always talking about family values in Washington [D.C.]," said Fialho. "Well, next to my family, those people I worked with were like my family."

Hiott relates a similar experience that she also blames on NAFTA. Her unit at Boeing has been gradually downsized as work making insulation blankets has been transferred to Mexico. However, none of the 145 or so workers will lose their jobs with the company. She and other are being trained to do new jobs and will eventually be moved to other departments.

Nevertheless, she said, morale is low and people are worried that fast-track will eventually lead to real job losses. She suspects the only thing that saved their jobs was the prospect of bad public relations for Boeing.

"They very well wouldn't want to lay people off because that would be big-time in the papers," she said, letting out a puff of smoke from her cigarette.

Boeing spokesman Dick Daulton said he understands the concerns, but sees fast-track as only leading to more jobs. "The world market for commercial airplanes is projected at $490 billion from 1997 to 2006. Fast track is what will enable us to compete."

The Washington Post
Wednesday, September 17, 1997

Clinton Requests Power to Negotiate More Trade Pacts

Action Defies Labor, Liberals On Worker Rights, Environment

By Paul Blustein and John E. Yang
Washington Post Staff Writers

A1

President Clinton defied organized labor and liberals within his own party yesterday as he formally asked Congress for authority to negotiate new trade accords, including an expansion of the North American Free Trade Agreement.

Firmly staking his position on the side of free trade, the president rejected labor's demands that he insist on extensive protections for worker rights and the environment in future trade deals. Instead, Clinton's draft legislation offered carefully crafted language on the issue, designed to appeal to moderates in both parties and maximize the chances of striking new deals with other countries.

Appearing before House Democrats at the Capitol, where he traveled with Vice President Gore to appeal for support, the president argued that his approach was vital to the nation's continued prosperity, given the economy's increasing reliance on exports for growth.

"It will enable the United States to sell to the world's fast-growing markets—regions where our competitors will step in if we retreat," he told reporters before meeting the Democratic lawmakers.

The administration's proposal drew cautious praise from GOP congressional leaders and business lobbyists,

See TRADE, A4, Col. 5

TRADE, From A1

who warned that the president would have to fight hard and accept some modifications to win passage.

"It's the right approach—we're on the right track," said Rep. Jim Kolbe (R-Ariz.), a leading GOP voice on trade issues. "But the president has to really get behind this."

Congressional liberals, however, blasted the proposal and the AFL-CIO announced an all-out campaign against it, reflecting the fissures within the Democratic Party that the administration's trade initiative is threatening to deepen.

House Minority Leader Richard A. Gephardt (D-Mo.) called the proposal "unacceptable," asserting that "it sends the wrong signal to the world community about what our priorities and standards in trade should be."

The president, whose authority to negotiate new trade pacts expired three years ago, has hesitated in pressing forward until now mainly because of the political passions the issue arouses. One major cause of the administration's skittishness is the widespread unpopularity of NAFTA, which some critics blame for the movement of low-skill jobs to low-wage countries.

But now, Clinton needs the negotiating authority to fulfill a promise he and other Latin American leaders made at a 1994 summit meeting to create a Free Trade Area of the Americas by 2005, essentially extending NAFTA to all of the Western Hemisphere. The administration also wants to negotiate new global accords to lower barriers to trade in services and agricultural products.

To do so, the White House asked Capitol Hill to provide so-called fast-track authority until at least 2001, which would enable the president to negotiate trade accords without fear that Congress would unravel the terms. Under fast track authority, Congress agrees to take straight up-or-down votes on trade deals, without making any amendments. Clinton's proposal would allow Congress to suspend the authority in 2001 or extend it until 2005 at the president's request.

The measure faces tricky legislative arithmetic on the Hill, because the White House badly wants to win substantial support on both sides of the aisle in both houses so that it can convince foreign governments that trade deals will win ratification.

In the House, where the Democratic leadership is against him, Clinton faces the solid opposition of about 110 Democrats with strong ties to labor and environmental groups, while another 40 to 45 strongly favor his initiative, leaving about 50 or so up for grabs. On the Republican side, GOP lawmakers said, the effort to round up votes is complicated by partisan animosity, predisposing some against giving Clinton any victory, and frustration that it has taken the White House so long to come up with a proposal.

The complexity of the trade-offs that the White House must balance was underscored yesterday by the reaction of business lobbyists and Republicans, who did not sound thrilled either with the details of Clinton's proposal.

Willard Workman, vice president for international affairs at the U.S. Chamber of Commerce, complained that the bill "is not entirely clean of extraneous" provisions to protect labor rights and the environment.

"This proposal needs one more spin through the wash cycle to get it clean," he said.

Partly to win moderate Democratic support, the White House included environmental protection as one of the "negotiating objectives" for future trade talks. The administration also provided assurances that it would seek on its own to negotiate accords on labor and the environment in "side agreements" to any trade pact, similar to those struck with NAFTA.

But the administration rejected the approach favored by liberals such as Gephardt, who insist that if trade with developing countries is to be fair, trade accords must include agreements—enforceable by sanctions—to raise labor and environmental standards in other countries.

Instead, the White House agreed to compromise language offered by GOP lawmakers—who originally wanted no labor or environmental provisions at all in trade agreements—providing that only labor and environmental matters "directly related to trade" would be included in trade deals.

One example of an issue that could be negotiated would be a country's ban on foreign food or agricultural products based on unscientific sanitary requirements, said Charlene Barshefsky, the U.S. trade representative.

If the administration adopted the Gephardt approach, Barshefsky said, it would not only ruin chances of winning GOP support but would almost surely doom negotiations with trading partners, who would bridle at Washington trying to dictate their labor and environmental rules.

The Washington Post
Wednesday, September 17, 1997

BUREAU OF PUBLIC AFFAIRS
U. S. DEPARTMENT OF STATE
WASHINGTON, D.C.

DATE: 9/12/97

TO: Maria Echaveste
456-6682

FROM: Lula Rodriguez
FAX: (202) 647-5939 **PHONE:** (202) 647-6088

MESSAGE: FYI

Number of pages (including cover sheet): 3

Congress Should Grant President Clinton Fast Track Authority

Diarios Las Americas Sept/11/97
EDITORIAL
Both in English AND SPANISH,

The request made by the President of the United States to Congress in the sense that he be authorized to negotiate international trade agreements in a simplified way, which is known as "fast track", is more than justified and, more than that, it is a necessity because of its long range effects. Actually it would be renewing a power that American presidents have enjoyed for many years and that was interrupted following the North American Free Trade Agreement (NAFTA) with Mexico and Canada.

As it is known, President Clinton wants to negotiate an agreement to include Chile into NAFTA. His efforts are practically paralyzed because Congress does not seem inclined to authorize the President a fast-track negotiation with Chile. If the president is not given this power, no government would negotiate normally with the United States when there is a risk of facing ammendments made by Congress to the agreement reached. And other industrialized nations of the world are taking advantage of this situation because Washington is unable to act on a timely and swift fashion enjoying the trust of the governments with whom it enters into this type of negotiation.

Partisan political interests and even some electoral aspirations are blocking President Clinton' s request in Congress for the fast-track authorization that in past administrations has been extremely helpful for the Washington government and the people it represents. There comes a time when politicians have to set aside their personal or partisan interests to act in line with what the national interest requires. The United States of America can not afford the luxury --so to speak-- of dealing with foreign trade ignoring certain realities that should be addressed patriotically. And patriotism demands that Congress approve President Clinton' s request so that he be empowered to negotiate with Chile now and with other countries in the future in order to advance free trade in the Western Hemisphere with the decisive participation of the United States. *

This a serious issue that has the support of very important sectors in the nation who back President Clinton' s request because it is what must be done for the good of the country. Already important national media have expressed their editorial support to the President' s request.

Diario Las Americas
EDITORIAL

Edición del 11 de Septiembre, 1997

El Congreso de los EE.UU. Debe Autorizar la "Negociación Rápida" al Presidente

La solicitud del Presidente de los Estados Unidos al Congreso en el sentido de que se le autorice a negociar en forma simplificada, a la que se le llama "vía rápida" (fast track), acuerdos comerciales internacionales, está ampliamente justificada y, más que eso, es una necesidad por su conveniencia en alto grado. En realidad se trata de restituir una facultad que los presidentes han tenido desde hace muchos años y que se interrumpió cuando se negociaba el Tratado de Libre Comercio (TLC) con México y Canadá.

Como es sabido, el Presidente Clinton está abogando por un tratado con Chile para incluirle al TLC. Esa gestión está prácticamente paralizada por el hecho de que no se ha autorizado al presidente a negociar en la llamada forma rápida con Chile. Si no se da esa facultad al presidente, ningún gobierno puede negociar normalmente con el de los Estados Unidos de América cuando existe el riesgo de enmiendas que el Congreso puede hacer con respecto a lo negociado por Washington. Y esto lo aprovechan otras potencias económicas del orbe que se están beneficiando de ese aspecto del comercio internacional porque Washington no puede actuar en forma rápidamente oportuna y con la confianza adecuada de los gobiernos con los que se hace una negociación de este tipo.

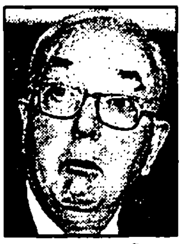
Intereses políticos de tipo partidista y hasta en función electoral están obstaculizando en el Congreso la solicitud formulada por el Presidente Clinton para obtener esa autorización que en Administraciones anteriores ha sido de gran utilidad para el gobierno de Washington y el pueblo que éste representa. Hay momentos en que los políticos tienen que prescindir de sus propios intereses partidistas o aspiraciones personales para actuar de acuerdo con lo que exigen los intereses nacionales. Los Estados Unidos de América no pueden darse el lujo --por decirlo así-- de manejar el comercio exterior de espaldas a ciertas realidades que deben ser atendidas patrióticamente. Y el patriotismo demanda que el Congreso apruebe la solicitud del Presidente Clinton para estar él debidamente facultado a negociar con Chile en estos momentos y con cualquier otro país después en forma que desarrolle el concepto del libre comercio en el Hemisferio Occidental con la participación decisiva, de los Estados Unidos de América.

Se trata de algo sumamente serio que cuenta con el respaldo de sectores muy importantes de la nación, que apoyan la solicitud del Presidente Clinton por su sensatez y por su conveniencia para el país. Importantes órganos nacionales de información pública le han dado su merecido apoyo editorial.

WASHINGTON

House panel votes today on 'fast-track' measure

Negotiators for President Clinton and for House Ways and Means Chairman Bill Archer, R-Texas, agreed to legislation Tuesday to give Clinton "fast-track" powers to negotiate trade agreements that Congress then could only approve or reject, but not change. The committee votes on it today. The language is similar to that worked out with the Senate Finance Committee last week. Jay Ziegler, an aide to U.S. Trade Representative Charlene Barshefsky, said the pact "addresses key Democratic concerns and retains the president's flexibility to meet trade, labor, environmental and health and safety goals." The measure faces stiff opposition from Democrats supported by organized labor.



Reuters

Helms: U.N. probe of U.S. 'absurd'

EXECUTIONS PROBE: Senate Foreign Relations Chairman Jesse Helms, R-N.C., denounced an 18-day United Nations investigation of U.S. capital punishment as an "absurd U.N. charade." He asked the State Department to stop cooperating. Senegalese lawyer Bacre Waly Ndiaye, who investigates accusations of human rights abuses, said his visit shows U.S. "willingness to cooperate with the U.N. on United States' shortcomings." He cited reports of racism in U.S. executions and executions of mentally retarded prisoners and those convicted as minors. There was no comment from the State Department.

URBAN LEAGUE PROPOSALS: The National Urban League, saying President Clinton's task force on race relations lacks direction, offered a series of recommendations for the commission. The Urban League outlined several areas as targets for reform, particularly education and job opportunity. The group called on Clinton and the task force to "keep up the pressure on higher education and employers to stay the course on inclusion."

PUBLIC LANDS: Angry at President Clinton for designating 1.7 million acres of Utah wilderness as the Grand Staircase Escalante National Monument just before last year's election, the House voted 229-197 to curb presidential power to set aside public lands as national monuments. But the margin was well below the 67% needed to override a veto. A monument area of more than 50,000 acres in one state couldn't be created unless Congress and the state's governor agreed. The Senate has a similar bill pending.

BALLOT ACCESS: The five largest independent political parties joined forces to support election reform. The Reform, Libertarian, Green, Natural Law and U.S. Taxpayer parties lined up behind a proposal by Rep. Ron Paul, R-Texas, to lower the number of signatures needed to get on the ballot in federal elections and to prohibit discriminatory filing fees, deadlines and other restrictions. The parties also support Paul's bill to deny federal campaign funds to presidential candidates who take part in debates that exclude any minor party candidate on the ballot in at least 40 states. Five similar bills have died since 1985. — Andrea Stone

ALSO . . .

▶ **CORRECTION:** A photograph accompanying a story Tuesday about "fast-track" trade legislation incorrectly was identified as Rep. Karen Thurman, D-Fla. The photograph was of former representative Andrea Seastrand, R-Calif.

▶ **VETERANS CARE:** Patient deaths under "unusual or avoidable circumstances" at Department of Veterans Affairs hospitals will be the focus of a House hearing today, and officials from VA hospitals in Boston, Miami and Muskogee, Okla., are expected to testify.

▶ **ABORTION VOTES:** The House voted 233-194 to insist that no U.S. funds be given to international family planning groups that perform or lobby for abortions. The Senate approved the funds, and President Clinton might veto the entire foreign aid bill if it contains the House ban.

▶ **GOODWILL TRIP:** First lady Hillary Rodham Clinton today begins a three-day trip to Panama, where she will speak on women's rights and tour a re-forestation project.

Written by Paul Leavitt with staff and wire reports

Votes deal staggering blows to campaign-finance reform

By Jill Lawrence
USA TODAY

WASHINGTON — Two dramatic Senate votes Tuesday on the McCain-Feingold campaign-finance bill left Republican leaders asserting that reform was dead.

Although reform advocates vowed to fight on, Senate Majority Leader Trent Lott, R-Miss., said the votes "put an end to campaign-finance reform at this time. They end the drive for phony reform."

In Tuesday's key vote, McCain-Feingold supporters fell seven votes short of the 60 they needed to break through a Republican filibuster and vote on the bill itself. The vote to cut off debate failed, 53-47.

The supporters were also thwarted, at least temporarily, by a Lott amendment that would make McCain-Feingold unacceptable to Democrats. The amendment would require unions to get advance permission from members to use dues for political purposes.

Democrats said they were one vote short of being able to kill the provision and consequently, they opposed a Lott motion to move ahead with a vote on it. Lott's motion won 52 votes, eight short of the 60 needed.

The two sponsors, Arizona Republican John McCain and Wisconsin Democrat Russ Feingold, had hoped for negotiations rather than showdown votes Tuesday. The maverick McCain, who endured a bruising lunch with fellow GOP senators just before the votes, maintained that reform advocates came "a lot closer than the vote looks" to winning.

And he dismissed Lott's declaration of death. "Sen. Lott has driven a stake through other issues" that have gone on to prevail, McCain said. "We will continue to fight."

Senate Minority Leader Tom Daschle, D-S.D., accused Lott of creating a procedural maze designed to make it look like Democrats were killing campaign-finance reform. "I'm very disappointed with the way this whole matter has been handled," he said.

Senators are still snaking their way through that maze. More votes to cut off debate on the bill are scheduled for today and Thursday. Another vote to cut off debate on the Lott amendment also is on the agenda Thursday. Supporters say they are close to being able to kill that amendment.

They also intend to try to attach McCain-Feingold to every possible vehicle on the Senate floor. They say that's the way the Kennedy-Kassebaum bill expanding health-insurance access and the minimum-wage increase eventually passed.

The McCain-Feingold bill would require more disclosure and encourage wealthy candidates to limit their personal campaign spending. It would impose new restrictions on political ads and ban the unlimited, unregulated party contributions called soft money.

Supporters say the changes are needed to make sure wealthy people and special interests don't drown out the voices of everyday Americans and to encourage people of modest means to run for office.

Opponents coalesced around a constitutional argument. They buoyantly depicted Tuesday's outcome as a triumph for free speech.

"The First Amendment remains protected from the assault that was McCain-Feingold," said Sen. Mitch McConnell, R-Ky., chairman of the Republican Senate campaign committee and a leading opponent. "This effort to put the government in charge of political discussion in this country is not going to pass now, it's not going to pass tomorrow, it's not going to pass ever."

Supporters vow to carry on fight

In Tuesday's 53-47 Senate vote supporters of the McCain-Feingold campaign finance bill fell seven votes short of the 60 needed to limit debate and allow a vote on the bill.

Voting "yes" were all 45 Senate Democrats and eight Republicans: John Chafee of Rhode Island; Susan Collins and Olympia Snowe of Maine; Tim Hutchinson of Arkansas; James Jeffords of Vermont; John McCain of Arizona; Arlen Specter of Pennsylvania; and Fred Thompson of Tennessee.

The other 47 Republicans voted "no."

USA TODAY · WEDNESDAY, OCTOBER 8, 1997

Astronaut Foale reunited with earthly delights

By Marcia Dunn
The Associated Press

CAPE CANAVERAL — After 4½ difficult months on Mir, American astronaut Michael Foale reveled in the company of his family and such worldly delights as pizza and chocolate chip cookies.

"Very glad to be holding these children," a weary but happy Foale said late Monday, six hours after space shuttle Atlantis delivered him back to Earth.

Five-year-old Jenna and 3-year-old Ian jumped into their father's lap as soon as they saw him. She squirmed and giggled; he could barely stay awake.

"He has grown twice. You've become a rebel, rebel, rebel," Foale said, cuddling his son. "And Jenna has become a little lady — sometimes," adding the last word after she squealed with delight.

Foale was visibly upset during a televised NASA interview as he recalled the aftermath of the space station's collision with a cargo ship. The collision punched holes in the hull of the Spektr module, which was immediately sealed off. The Russian commander, Vasily Tsibliyev, was blamed for the crash and developed an irregular heartbeat from stress. Russia's Mission Control barred him from a spacewalk into Spektr to restore power.

"He felt responsible for the whole accident," Foale said, "which I don't quite feel . . ." The astronaut paused, shook his head and looked down, saying, "No, this is too hard to talk about."

The 40-year-old British-born astrophysicist, experiencing the tug of gravity for the first time since May, said he felt "not particularly heavy, but a little uncertain in terms of walking and balance."

Atlantis and its seven-member crew returned from the aging space station one day late. Thick clouds had prevented the shuttle from landing Sunday evening and kept Foale in orbit for a 145th day, second among Americans to Shannon Lucid's 188-day Mir mission last year.

The shuttle delivered Foale's replacement, physician David Wolf, to Mir along with a new computer, patches for the holes in the hull and other supplies. Another computer, for backup, and more supplies are to arrive on an unmanned cargo ship tonight.

By Peter Cosgrove, AP

Daddy's home: Mir veteran Michael Foale Tuesday holds hand of daugher, Jenna, while carrying son, Ian.

Espionage case provokes Pentagon security review

By Scott Hildebrand
and Steven Komarow
USA TODAY

Defense Secretary William Cohen said Tuesday that he'll ask for a security review to determine why the Pentagon failed to detect a former analyst charged with spying.

AP

Cohen: Will 'go back and look'

From 1991 until last January, Theresa Squillacote, 39, held various positions at the Pentagon, including senior staff attorney in the office of the deputy undersecretary of Defense.

She was charged Monday with conspiracy to commit espionage. Also charged were her husband, Kurt Stand, 42, a labor union representative, and their friend James Clark, 49, a private investigator.

"Any time you have a breach like this, it causes you to go back and look and see how good your security measures are," Cohen said.

Despite pro-communist ties and activities, officials say, Squillacote had a "secret" clearance that gave her access to sensitive documents.

Clark was granted the same clearance in 1986 when he worked for a private firm doing contract work for the government, and in 1992 as a civilian analyst for the Army.

Navy Capt. Michael Doubleday says secret security clearances require no background check. But they require a review of government records, which might have found an FBI report on Clark's political activities and records on Squillacote's communist ties.

The Pentagon already has begun evaluating possible security breaches.

Squillacote, Stand and Clark are accused of giving Pentagon, State Department and CIA documents to East Germany. Some of those documents were passed on to the Soviet Union and Russia, the FBI says.

The FBI says Stand was recruited in 1972, was joined by Clark in 1976, and by Squillacote in 1980. They were arrested Saturday after turning over documents to undercover agents posing as South African spies. The FBI began the undercover operation in August 1996.

A federal court hearing in Alexandria, Va., is scheduled for Thursday. The conspiracy charge carries a maximum life prison sentence and a $250,000 fine.

Intelligence experts say the espionage charges are a serious matter, despite the end of the Cold War.

"Throughout history, whether it's the Cold War or post-Cold War, the U.S. wants to be forewarned of dangers and forearmed with information that gives leverage to the decision-making process," says University of Michigan political scientist Raymond Panter.

Panter is a former staff member of the National Security Council, which advises the president on national security matters.

Martin Lee, who has written about intelligence matters and German political movements, says Russia and Germany are "still the prime espionage area, particularly since Russia's future is not well-defined."

An FBI affidavit says Squillacote told undercover agents that her work with East Germany was "my primary occupation — my career, in effect. I wanted to do political work full time, and viewed these anti-imperialist efforts as such."

The three were involved in leftwing political activities as students at the University of Wisconsin-Milwaukee in the 1970s, the FBI says.

USA TODAY · WEDNESDAY, OCTOBER 8, 1997

FOIA Number: 2017-0401-F

Clinton Presidential Records
Foreign Language Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff to identify the location of a document written in a foreign language

Foreign Language Marker

Collection: Clinton Presidential Records

Subgroup: Public Liaison

Series: Maria Echaveste

Subseries:

Document Title Consejo Superior Del Trabajo Sector Laboral [Superior Labor Council Labor Sector]

Language: Spanish

Folder Title Fast Track [1]

OA/ID: 11654

2 copies file fast track
1 Cheri Carter
1 Correspondence

WASHINGTON OFFICE ON LATIN AMERICA
WOLA 400 C Street, N.E. Washington, D.C. 20002 Tel: (202) 544-8045 Fax: (202) 546-5288

Fast Track

September 4, 1997

Ms. Maria Echaveste
Director of Public Liaison
The White House
Fax: 456-6218
Pages: 7, including cover page

Dear Ms. Echaveste:

Attached you will find a letter to President Clinton from 63 human rights and religious organizations urging him to include strong and vigorous labor and environmental protections in his request to Congress for "fast-track" negotiating authority.

If you have any questions about or responses to the letter, please contact Eric Olson in our office.

With best regards,

Sincerely,

George R. Vickers
Executive Director

September 4, 1997

The President
The White House
Washington, DC 20500

Dear Mr. President:

We are writing to urge your support for strong and vigorous labor and environmental protections in your request to Congress for "fast-track" negotiating authority. We represent human rights and religious organizations deeply concerned about the impact of United States trade polices on the well being of the 1.3 billion people around the world living on less than $1 a day, and working people in the United States and developing countries.

Many of us represent organizations with colleagues and counterparts in communities that are marginalized in the increasingly globalized economy. They live in environments poisoned by years of unregulated or under-regulated business activities and short-sighted economic development strategies. Many thousands have spent their childhoods at sewing machines or in farm fields, producing goods for the U.S. consumer market in conditions that are unhealthy and dangerous. Thousands of women and young girls have suffered sexual harassment and discrimination in *maquiladora* and export-processing plants in our hemisphere and Asia. Indigenous people have seen their land and culture threatened and sometimes destroyed by companies, both domestic and foreign, eager to trade in the natural resources found on indigenous lands.

We understand that in the coming days you will be requesting fast-track authority from Congress to negotiate trade agreements over the next five years. While we recognize that trade plays an important role in global society, we believe strongly that trade policies and practices must be subject to moral and ethical standards. International agreements must ensure that trade does not lead to increased inequity, exploitation of workers, and environmental degradation. Without clear standards and mechanisms to protect workers, indigenous people, and the environment, trade will benefit only the few, and could actually contribute to a worsening of poverty and inequality throughout the developing world. The United Nations Development Programme's 1997 Human Development Report, concludes that, "As trade and foreign investment have expanded, the developing world has seen a widening gap between winners and losers... The greatest benefits of globalization have been garnered by a fortunate few." U.S. trade policies and negotiations must seek to change that reality.

We are concerned by reports that your administration is considering abandoning its previous commitment to labor and environmental protections as priorities in negotiating further trade agreements. We urge you to demonstrate moral leadership by reasserting your commitment to make protections for labor and the environment an integral part of your request to Congress for fast track negotiating authority . Such commitment is essential if United States trade policy is to advance our nation's vital interest in promoting shared and sustainable prosperity in this hemisphere and around the world.

Thank you for your consideration of our concerns.

Sincerely,

George R. Vickers, Executive Director
Washington Office on Latin America

Christine Halvorson, Acting Executive Director
Amanaka'a Amazon Network

Erik van Lennep, Executive Director
The Arctic to Amazonia Alliance

Pat Lupo, OSB, Chair of Stewardship Committee
Benedictine Sisters of Erie, Pennsylvania

Sister Marinetta Harenza, OSF, Coordinator
Bernardine Center

Sister Rose MacDermott, OSF, Director of Justice, Peace, Earthcare
Bernardine Franciscan Sisters

David Beckman, President
Bread for the World

William C. Goodfellow, Executive Director
Center for International Policy

Thomas J. Rogers, Associate Director
Center for Respect of Life and Environment

Mark Konrad, Human Rights Project Director
Center for Study of Responsive Law

Peter Vander Meulen, Coordinator for Social Justice and Hunger Action
Christian Reform Church in North America

Rodney I. Page, Executive Director
Church World Service

Michael J. Dodd, Director
Columban Fathers' Justice and Peace Office

Christina Espinel, Coordinator
Colombian Human Rights Committee

George Paul Mocko, Bishop
Delaware Maryland Synod
Evangelical Lutheran Church in America

John E. Oister, SJ, Provincial Assistant for Social Ministry
Detroit Province Jesuits

Stephen Hellinger, President
The Development GAP

Scott Wright, Co-coordinator
EPICA

Reverend Robert J. Brooks, Director of Government Relations
The Episcopal Church

S. Marlene Bertke, OSB, Coordinator
Erie Benedictines for Peace

Edward (Ned) W. Stowe, Legislative Secretary
Friends Committee on National Legislation

David Vargas, Executive Secretary
Latin American and the Caribbean Office
Global Ministries UCC/CC (Disciples of Christ)

Sister Ann Walters, OP, Councilor for Finance
Grand Rapids Dominican Leadership Team

Margaret Weber, Groundwork Team
Groundwork for a Just World

Alice Zachmann, Director
Guatemala Human Rights Commission/USA

Annette Zipple, RSCJ, Director
Holy Trinity Community Outreach

Ms. Kathryn Cameron Porter, President
Human Rights Alliance

Global Economy Project
Institute for Policy Studies

Debra Preusch, Executive Director
Interhemispheric Resource Center

Pharis Harvey, Executive Director
International Labor Rights Fund

Glenn Switkes, Latin American Program Director
International Rivers Network

Reverend James Flynn
Kentucky Inter-Religious Task Force on Central America

Dale Sorensen, Board President
Marin Interfaith Task Force on Central America

Marie Dennis, Associate for Latin America
Maryknoll Society Justice and Peace Office

Cathy Rowan, Director, Office of Social Concerns
Maryknoll Sisters

J. Daryl Byler, Director, Washington Office
Mennonite Central Committee Washington Office

John Conklin, Co-Chair
Ramona Hinkle, Co-Chair
Olympia Chapter of the Fellowship of Reconciliation

Nancy Small, National Coordinator
Pax Christi USA

Alice Wolters / Mark Saucier, National Coordinators
Peru Peace Network

Elenora Giddings Ivory, Director, Washington Office
Presbyterian Church (USA)

Ellen Lynch, CSC, Co-director
Quixote Center / Quest for Peace

Margaret Swedish, Director
Religious Task Force on Central America and Mexico

Joanne Carter, Legislative Director
RESULTS

Deborah McLaren, Director
Rethinking Tourism Project/Tides Center

James J. Silk, Director
Robert F. Kennedy Memorial Center for Human Rights

Sr. Virginia Skurski, President
Servants of Jesus

Jean Stokan, Policy Director
SHARE Foundation

David B. Schott, Sister Parish Eastern States Coordinator
Sister Parish

Mary Ellen Gondeck, SSJ, Coordinator, Office of Peace and Justice Concerns
Sisters of St. Joseph

Leadership Team, Nazareth, Michigan
Sisters of St. Joseph

Sr. Ann Oestreich, Congregation Justice Coordinator
Sisters of the Holy Cross, Notre Dame, IN

Leadership Council
Sisters, Servants of the Immaculate Heart of Mary, Monroe, Michigan

Carol Richardson, Director, Washington Office
SOA Watch

Laura Soriano Morales, Executive Director
South and Meso American Indian Rights Center

Joanette Nitz, OP, Committee Member
Southern Africa Committee, Michigan Coalition for Human Rights

Rosemarie Abate, Religious Education Director
St. Raymond and Good Counsel Parishes

Jeff Seifert, Deputy Director
Unitarian Universalist Service Committee

Reverend Jay Lintner, Director, Washington Office
United Church of Christ Office for Church in Society

Reverend Robert Kinsey, Chairperson
United Church of Christ Rocky Mountain Conference Peace and Justice Task Force

Peggy Hutchison, Assistant General Secretary
Mission Contexts and Relationships, General Board of Global Ministries
United Methodist Church

Steve Bennett, Executive Director
Witness for Peace

Andrew C. Mills, Regional Coordinator
Witness for Peace-MidAtlantic

John W. Friede, Executive Director
Worldview, Ltd.

August 26, 1997

MEMORANDUM FOR FAST TRACK WORKING GROUP

FROM: Maria Echavetse

RE: White House Briefings

cc: T. Marshall

Throughout the Fall, Administration officials will be asked to participate in several briefings for outside groups and opinion leaders to convey the President's position on Fast Track and garner support for this effort. There are two groups of individuals targeted in our outreach strategy: industry representatives and regional opinion leaders. What follows is a series of briefings that we have scheduled. As you can see, we have invited more than one cabinet member to speak at each of these briefings because it is imperative that we demonstrate to the attendees the importance of their support for our position.

Many of you have already been contacted about theses dates and have confirmed, while others are still pending. Please review this brief description of the schedule and contact David Beaubaire of Cabinet Affairs at 456-2572 to confirm your participation. If you have any other questions regarding the audience or logistics, please feel free to contact me or Peter O'Keefe on my staff at 456-2930.

Industry Representatives:
In advance of the President's roll-out of the bill on September 10th, we want to make sure that key industry leaders are well-briefed on its content and prepared to share the information with their corporate leadership. We have prepared briefings for three targeted industries; agriculture, high technology and manufacturing. The following schedule identifies the Administration officials we are requesting for each briefing:

Thursday September 4th:
Agri-Business Briefing
The Indian Treaty Room, 1:00pm-3:00pm
Description: Briefing for 60 representatives from the agri-business community.
Requested speakers: Secretary Glickman, Ambassador Barshefsky and Jay Berman.

Friday September 5th:
<u>High Tech Briefing</u>
The Roosevelt Room, 11:00am-1:00pm
Description: Briefing for 40 representatives from the high tech community.
Requested Speakers: Secretary Daley, Secretary Rubin and Jay Berman.

Tuesday September 9th:
<u>Manufacturing Briefing</u>
Indian Treaty Room, 9:00am-11:00am
Description: Briefing for 75 representatives from manufacturing community.
Requested Speakers: Secretary Daley, Ambassador Barshefsky, Jay Berman and Vicki Radd.

<u>Regional Opinion Leaders:</u>
In order to compliment our efforts inside the beltway, we want to provide an opportunity to hear from key regional opinion leaders from across the nation. Our objective is to assemble several prominent groups of community leaders here at the White House and clearly convey the President's reasons for supporting this legislation. Public Liaison, Intergovernmental Affairs, Cabinet Affairs and Legislative Affairs will all be working closely to compile the list of invitees for these briefings. The schedule, as well as the Administration officials requested for each, is as follows:

Friday September 26th:
<u>First Briefing for Regional Opinion Leaders</u>
Indian Treaty Room
Description: Briefing for 50 regional opinion leaders.
Requested speakers: Secretary Daley and Ambassador Barshefsky (additional speakers to be added as regions are identified).

Tuesday September 30th:
<u>Second Briefing for Regional Opinion Leaders</u>
Indian Treaty Room
Description: Briefing for 50 regional opinion leaders.
Requested speakers: Secretary Rubin and Secretary Glickman (additional speakers to be added as regions are identified).

Thursday October 2nd:
<u>Third Briefing for Regional Opinion Leaders</u>
Indian Treaty Room
Description: Briefing for 50 regional opinion leaders.
Requested speakers: Secretary Herman and Secretary Daley (additional speakers to be added as regions are identified)

Peter O'Keefe 08/28/97 10:47:17 AM

Record Type: Record

To: Maria Echaveste/WHO/EOP

cc: Cheryl M. Carter/WHO/EOP, Mark Hunker/WHO/EOP
Subject: OPL Fast Track Event Invites

Maria:
Here is a list of businesses that I would recommend for the event on the Fast Track on 10th. Most of these companies fall under the category of "good stories" and should be excellent spokespersons for our press people to use. Our business alotment is 40 persons. In addition to these names and not included in this alotment will be Barbara's Agriculture CEOs. The Department of Ag. should have these to me by COB today (20 people).

Note: Asyou can see, we do not have many Fortune 500 companies represented. That is because we are doing a briefing for them the day before and the VP will be addressing the BRT dinner that evening.

Please let me know what you think.

- Thomas Donohue
- President & CEO
- US Chamber of Commerce
- 202-659-6000
-
- Larry Liebenow
- President & CEO
- Quaker Fabric Corporation
- Fall River, MA
- 508-678-1951
- (Plus 1 employee?)
-
- Dan O'Leary
- President & COO
- Stupp Corporation
- Baton Rouge, LA
- 504-775-8800
- (Plus 1 employee - President of Local Steelworkers)
-
- Byron Speice
- President
- Diamond Chain Company
- 317-613-2247
- (Plus 1 employee - President of Local Steelworkers)
-
- Steve Macri
- President
- S & S Seafood
- Northwood, N.H.

- 603-942-7925
-
- Peter Bowe
- President
- Ellicott International
- Baltimore, Md
- 410-837-7900
-
- Susan Corrales-Diaz
- President
- Systems Integrated
- Orange, California
- (She is a member of the President's Export Council)
-
- Robert Duncan
- President
- Terramarr Inc.
- Overland, Kansas
- 913-851-0500
-
- Joseph Watters
- President
- Hoppman International
- Piscataway, N.J.
- 908-782-3600
- (New Jersey Exporter of the Year)
-

Harry Cleberg
Chairman
Farmland Industries
Kansas City, MO
202-783-5330

David Sheunermann, Jr.
Owner
Deep South Bowling Pro Shop
Kenner, LA
504-467-0248

Leah Zveglich
Aster Internation Company
Cambridge, MA
617-354-7773

Bernard Glas and Stan Popeil
Co-owners
B.G. Imaging Specialities
Bronx, NY
718-378-3100

Ingersoll-Rand
Woodcliff Lake, NJ
201-573-3157

- Jeff Hester
- President
- Pierce Foods
- Moorefield, West Virginia
-
- John Sweeney
- Heritage Foundation
- 214 Mass. Ave NE
- 202-546-4400
-
- Paula Stern
- PPI
- 518 C Street, NE
- 202-547-0001
-
- Brookings Institute
- 1775 Mass. Ave. NW
- 202-797-6000
-
- Fred Bergsten
- IIE
-
- Al From + 6
-
- Chamber 10 small business
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August 27, 1997
5:00 p.m.

DRAFT

FAST TRACK "SUCCESS" STORIES

The Risk of Inaction:
The risk of inaction is quite great given the pace at which countries continue to sign trade agreements further liberalizing their markets, tearing down tariffs and non-tariff barriers, and increasing market access with their trading partners.

(1) Business Owner or Worker

Union

- The Stupp Corporation in Baton Rouge, Louisiana, a leading producer in the Western Hemisphere of API line pipe, is confronted with a price hurdle when doing business in South America. Its competitors from countries in the southern cone common market (MERCOSUR), comprised of Brazil, Argentina, Uruguay and Paraguay, do not face this price hurdle, as they have signed a trade agreement between themselves and with Chile significantly reducing duties and taxes on products exported between them. In bidding to supply $100 million of pipe to an Argentina-Chile gas pipeline project, Stupp faces duties and taxes of 27 percent on the Argentine portion of the pipeline, costs that a major competitor from Chile does not have to pay. For corporations like Stupp and its workers, including the steelworkers, dock workers, railroad employees, stevedores and truck drivers, the stakes are quite high in winning these major infrastructure projects. Stupp estimates a successful bid would

  -- require the equivalent to two days of U.S. Steel's total shipments or twice that at a company the size of LTV;
  -- employ over 1,600 rail cars to ship the steel to their plant; or alternatively, 67 barges and 1,904 trucks;
  -- provide more than two months of work for a U.S. facility to coat the bare pipe.

  (Source: Department of Commerce) (Contact: Donald Bohach, Director of Marketing and Business Affairs, 2-(800) 535-9999).

The risk of inaction is evident in view of the free trade agreement reached between Canada and Chile in November 1996 that will eliminate Chile's 11% across-the-board tariff starting this year.

(2) Owner

Worker

- Quaker Fabric Corporation in Fall River, Massachusetts, a $200 million publicly trade textile company is a major manufacturer of upholstery fabric employing about 1,750 people marketing its products in the U.S. and 42 other countries. Last year, about 20% of the company's sales were made outside the U.S. and some 350 of the company's employees owe their jobs to Quaker's growing export operations. In the past three, it has added 150 jobs due to increased exports. Last year, Quaker exported over $35 million worth of fabric, of which 40 percent was derived from our NAFTA partners. The rest of the hemisphere, where Quaker believes its greatest opportunities for growth lay, should provide it with additional sales opportunities of some $25 million (the equivalent of 200

more jobs in Massachusetts. However, Chile is a case in point of the risk of inaction and business opportunity loss for companies like Quaker. Recently, Quaker was informed by its sales representative in Chile that it had lost a bid for a $1.8 million a year account to a competitor from Mexico, solely as a result of the 11 percent tariff that Quaker must pay and not its competitor. This happened because Chile already has trade agreements in place with Mexico, Canada, the MERCOSUR countries and the European Union. Last year, Quaker sold approximately $300,000 of product into Chile. However, to do that it had to convince its Chilean customers that its product was of such higher quality that it was worth an additional 11 percent of cost due to the duties levied by Chile on U.S. exports.
(Source: Quaker Fabric Company) (Contact at Quaker: Larry A. Liebenow, President, (508) 678-1951).

Agriculture:

- Although U.S. agricultural exports to South America have increased over the last decade, the U.S. share of the region's total agricultural imports has fallen by more than half since 1985 -- from 42% to 22%. This decline is equivalent to an annual export loss of $2.6 billion and a related employment loss of more than 40,000 U.S. farm and non-farm jobs in 1996. More than 30 trade agreements are in place throughout Latin America, most of which the U.S. is not signatory to and which grant trade preferences to the countries that have signed the agreements. The granting of preferential trade benefits to some countries often comes at a costly price to U.S. producers and suppliers who are shut out of these markets due to higher tariffs and other barriers. For example, U.S. wheat farmers face an uphill battle exporting to Brazil, an $850 million market for wheat in 1996. Of that total, U.S. wheat exports amounted to $174 million. Tariffs on U.S. wheat and rice to Brazil are 10 percent and 20 percent, respectively. By contrast, most Argentine and MERCOSUR exports to Brazil now enter duty free. Argentina is one of the world's most prolific agricultural exporters; it always ranks in the top five country exporters of grains and beef to the world. The harmful effects of tariffs in South America and other parts of the world also are being felt by Washington state Apple producers, California wine producers, mid-western state soybean producers, and beef and pork producers.
(Source: USDA)

- Korea has emerged as the fifth largest market in the world for U.S. agricultural exports. It took in a record $3.8 billion worth of U.S. farm and food products in 1996. But Korean tariffs on agricultural products, over 60 percent on average, are still among the highest in the world. American farmers and companies like Pierce Foods of Moorefield, West Virginia, a lead manufacturer in the poultry and frozen foods industry, could be doing a lot more business there if these tariffs were reduced or eliminated. Korea's market has been recently liberalized for U.S. chicken, but the 28 percent tariffs and regulations adding up to another 30 percent place high-quality U.S. product at a severe price disadvantage. Without the added tariff and clearance costs, Pierce estimates that this market could produce sales of $5 to $10 million annually long-term. By contrast, the status quo limits Pierce penetration to annual sales about $1 million.
(Source: USDA) (Contact at Pierce Foods: Jeff Hester, President, (304) 358-2381).

The Rewards of Engagement:

The rewards of engagement in overseas markets, particularly for agriculture, are illustrative of the potential that exists in the global economy. An example of the success that can be obtained through agricultural exports and which is having an impact on the livelihoods of several hundred thousand farmers is that of Farmland Industries.

- Farmland Industries, Inc., headquartered in Kansas City, Missouri, is the largest farmer-owned cooperative in North America serving 500,000 farmer-rancher families through over 1,500 local cooperative members in 22 Midwestern States, Mexico and Canada. Also, more than 13,000 livestock producers are direct members of Farmland, marketing their hogs and cattle. U.S. producers now depend on exports for over 25 percent of gross receipts, which are anticipated to increase to 35 percent by 2003. In the past six years, these cooperatives have seen their international sales grow from less than $200 million to over $4.1 billion. In Mexico alone, since the passage of NAFTA, their sales have increased from less than $50 million in 1992 to $450 million in 1996. (Source: USDA) (Contact at Farmland: Scott Schearer, Director of National Relations, (Harry Cleberg is the Chairman and leading the Fast Track advocacy efforts with the agriculture community) 783-5330).

The trend line does not deviate much for small businesses, which account for over 90 percent of U.S. firms involved in international trade.

- A husband and wife owned and operated business in Kenner, Louisiana, formed in 1992, entered the export market in 1995. Deep South Bowling Pro Shop, Inc., has experienced a dramatic increase in its international sales of bowling balls, going from $75,000 in 1995 to about $850,000 in 1996, in its primarily Asian and South American markets. Seven months into 1997, it is on the brink of surpassing its 1996 export sales figures, which make up 30 percent of their total revenue, while entering five new international markets. It is export sales which allows Deep South to order bowling balls at the most competitive price from manufacturers. At the start of the business, the couples dining room was their warehouse for the bowling balls. Today they have a 12,000 square feet warehouse, and are about to expand to a bigger warehouse. (Source: Department of Commerce) (Contact at Deep South: David Scheuermann, Jr., Owner, (504) 467-0248).

- Aster International Company in Cambridge, Massachusetts, is a minority-owned, women-owned small business marketing American-made crafts and giftware. Using a direct mail strategy, Aster commenced operations in November of 1995 earning $70,000 in export sales in the last two months of that year. In 1996, its sales to Korea, Singapore, Taiwan and Japan amounted to over $500,000. However, export sales could have been much higher had Aster been more established, as demand for its product included orders worth $1.2 million. This year, it expects to surpass $2.0 million in exports sales. Aster employs five full-time workers, as many as seven part-time workers during peak demand,

and at times out-sources to meet demand. It also uses strict guidelines for U.S. content and assembly of the product it sells, as consumers overseas associate high quality with American-made products and expect them to be genuinely American-made.
(Source: Department of Commerce) (Contact at Aster: Leah Zveglich, Owner, (617) 354-7773).

- B.G. Imaging Specialties of Bronx, New York, is an exporter of used diagnostic imaging equipment to under-developed countries throughout the world that do not have the technology to produce such equipment and whose medical institutions do not have the capital to purchase new models of such equipment. In business since 1986 and currently operating with 25 employees, B.G. has doubled its revenue from exports and the number of employees in the last 4 years. In 1993, it undertook a major effort to expand its marketing activities, primarily in China up to that point, to other emerging economies, including: Russia, other newly independent states (former Soviet Union), India, Ireland and Latin America. Its revenue from exports has grown to about 90 percent of total sales and amounted to over $3 million in export sales in 1996.
(Source: SBA) (Contact at B.G.: Bernard Glas and Stan Popeil, Co-owners, (718) 378-3100).

Medium-to-Large Exporters:

- Ingersoll-Rand, a major diversified industrial equipment and components manufacturer out of Woodcliff Lake, New Jersey supplies its products to a wide range of industrial and commercial markets world-wide. The company has 46,000 employees, with global sales approaching $7 billion -- approximately 40 percent of Ingersoll-Rand's total sales. By the end of the first decade in the new millennium, it expects its revenue derived from exports sales to increase to 50 percent. Products exported to Mexico alone came from Ingersoll-Rand's plants located in California, Georgia, Indiana, Kentucky (1,100 employees), North Carolina (3,500 employees), North Dakota, New York, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Vermont and Virginia.
(Source: Ingersoll-Rand) (Contact at Ingersoll-Rand: Gordon Stables, Director of Government Affairs (Jim Perrella is Chairman of B.R. National Foreign Trade Council), (201) 573-3157).

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Steel Worker
UNION Pres.
to [illegible] Employees

- Diamond Chain Company manufactures, develops and markets high quality precision roller chain which is used to transmit power and convey product throughout industry. Based in Indianapolis, Indiana, Diamond has experienced a steady growth in export sales since 1990, growing from 3 percent to 13 percent estimated for this year. The increase in sales has led Diamond Chain to hire 90 more people, raising its employment rolls to 700 people, and created a new and more diverse range of opportunities for its employees.
(Source: Diamond Chain Company) (Contact at Diamond: Byron D. Speice, President, (317) 638-6431). (Garland Stoval -- Head of Steelworkers).

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- Daedulus Enterprises, Inc., a high-tech company in Ann Arbor, Michigan, with 17 employees is one of a few manufacturers of highly specialized remote sensing systems worldwide. In business for 30 years, it has tapped a global demand for its product in uses as varied as waterborne pollution sensing to drug interdiction efforts. Its exports sales range between 50 percent and 66 percent of total sales annually and directly support five-to-ten employees. Daedulus earned over $1.2 million in revenue from exports in 1996 and $1.4 million this year.
(Source: Department of Commerce) (Contact: Tom Ory, President, (313) 769-5649).

August 26, 1997

MEMORANDUM FOR FAST TRACK WORKING GROUP

FROM: Maria Echaveste

RE: White House Briefings

cc: T. Marshall

Throughout the Fall, Administration officials will be asked to participate in several briefings for outside groups and opinion leaders to explain the President's position on Fast Track. Our outreach strategy focuses on two principal groups: industry representatives and regional opinion leaders. What follows is a series of briefings that we have scheduled.

Many of you have already been contacted about the dates we have scheduled and have confirmed these dates, while others are still pending. Please review this brief description of the schedule and contact David Beaubaire of Cabinet Affairs at 456-2572 to confirm your participation. If you have any other questions regarding the audience or logistics, please feel free to contact me or Peter O'Keefe on my staff at 456-2930.

Industry Representatives:
In advance of the President's roll-out of the bill on September 10th, we want to make sure that key industry leaders are well-briefed on its likely content. We have prepared briefings for three industries: agriculture, high technology and manufacturing. The following schedule identifies the Administration officials we are requesting for each briefing:

Thursday September 4th:
Agri-Business Briefing
The Indian Treaty Room, 1:00pm-2:00pm
Description: Briefing for 60 representatives from the agri-business community.
Requested speakers: Secretary Glickman, Ambassador Barshefsky and Jay Berman.

Friday September 5th:
High Tech Briefing
The Roosevelt Room, 11:00am-12:00pm
Description: Briefing for 40 representatives from the high tech community.
Requested Speakers: Secretary Daley, Secretary Rubin and Jay Berman.

Tuesday September 9th:
Manufacturing Briefing
Indian Treaty Room, 9:00am-10:00am
Description: Briefing for 75 representatives from manufacturing community.
Requested speakers: Secretary Daley, Ambassador Barshefsky, Jay Berman and Vicki Radd.

Regional Opinion Leaders:
In order to compliment our efforts inside the beltway, we want to provide an opportunity to hear from key regional opinion leaders from across the nation. Our objective is to assemble several prominent groups of community leaders here at the White House and clearly convey the President's reasons for supporting this legislation. Public Liaison, Intergovernmental Affairs, Cabinet Affairs and Legislative Affairs will all be working closely to compile the list of invitees for these briefings. The schedule, as well as the Administration officials requested for each, is as follows:

Friday September 26th:
First Briefing for Regional Opinion Leaders
Indian Treaty Room
Description: Briefing for 50 regional opinion leaders.
Requested speakers: Secretary Daley and Ambassador Barshefsky (additional speakers to be added as regions are identified).

Tuesday September 30th:
Second Briefing for Regional Opinion Leaders
Indian Treaty Room
Description: Briefing for 50 regional opinion leaders.
Requested speakers: Secretary Rubin and Secretary Glickman (additional speakers to be added as regions are identified).

Thursday October 2nd:
Third Briefing for Regional Opinion Leaders
Indian Treaty Room
Description: Briefing for 50 regional opinion leaders.
Requested speakers: Secretary Herman and Secretary Daley (additional speakers to be added as regions are identified)

⑧ approved vetinel → David Ley

⑨ Harbors/Post → Ben → cites

PROPOSED BUSINESS SCHEDULE FOR FAST TRACK

Goals
Outline Administration plan for Fast Track effort
Obtain positive business stories that support Administration's position
Energize our base; the business and agriculture communities

⑩ ~~Draft~~ article for newsletters
Dave Key

Strategy:

I. Outreach
Key groups
a) business (manufacturing, high-tech, agriculture)
b) dc rep core group – set up late next week / trade related
c) opinion leaders (political, academic, economists, foreign policy experts, former secretaries of state, treasury, commerce and trade reps) – Communications / NSC

3 ⑪ we're also looking for success stories

II. Events in August
a) ~~manufacturing~~ companies (primarily Fortune 500)
Roosevelt Room
principals: Bowles, Rubin, Amb. Barshefsky, McLarty, Berman
Daley

B) high technology companies
Roosevelt Room
principals: VPOTUS, Amb. Barshefsky, McLarty, Gipps, Berman
Daley

c) agri-business companies
Roosevelt Room
principals: Secretary Glickman, Amb. Barshefsky, McLarty, Berman

Cabinet Affairs 2

1 1) event in Sept
2) foreign policy w/ Presidents secretaries of state
3) trade assn's

Jeff Fork

Events in September
4 a) washington reps ~~roll~~-out event
East Room of the White House
~~principals~~: President Clinton
Daley → foreign policy event

Set copy of speech re NAFTA

5 b) The Business Roundtable
September 10th, JW Marriott
Princip~~le~~al: The Vice President

6 c) American Business Conference (proposed event)
September 16th, The White House
Princip~~le~~al: The President

III. Other outreach targets

a) in-town conferences
b) targeted regional audiences
c) major associations, U.S. Chamber, Hispanic Chamber

Fast Track: In the National Interest of the United States:

FAST TRACK MEANS: IMPROVING OUR STANDARD OF LIVING

- The Economy is Strong. The President's economic strategy of cutting the deficit, investing in education and training and opening markets abroad is working. America has enjoyed the longest period of sustained growth in a generation— 25% of which was produced by exports. The result: 12 million new jobs, unemployment at 5%, inflation the lowest in a generation.
- Our Future Prosperity Depends on Trade. 96% of the world's consumers live outside the US. The global economy will grow at three times the rate of the US economy. The American people need fast track to negotiate smart new trade agreements that keep us competitive, expand our exports, create more jobs, and raise our standard of living.
- Staying on the Fast Track. By knocking down trade barriers and creating news jobs, President Clinton will use fast track to keep America's economic expansion on the global fast track.

FAST TRACK MEANS: CREATING MORE JOBS

- Knocking Down Barriers. The President will keep knocking down barriers to American products and services because that strategy is working for the American people. The US is once again the world's largest total exporter, the largest producer of semiconductors, and the largest producer of automobiles. Exports support 11 million American jobs, including one in five manufacturing jobs. and over the past four years, one-quarter of our economic growth came from trade and exports.
- Sectoral Agreements. The President will negotiate agreements in sectors where the US is most competitive: medical equipment, telecommunications, environmental technology and agriculture.
- Regional Free Trade Agreements. The President will open markets in Asia, Latin America, and Africa to US goods and services.
- Free and Fair Trade. The President supports raising labor standards, protecting the environment and ensuring through aggressive worker retraining and increased educational opportunities that no American is left out of the global economy.

FAST TRACK MEANS: MAINTAING AMERICA'S GLOBAL LEADERSHIP

- Staying On Top. As we prepare the American people for the challenges of the 21st century, we face a critical choice: Embrace the global economy and continue to shape it to America's advantage, or turn back and fail to compete for new contracts, new business or new job opportunities.
- Lead or Be Left Behind. Since 1992, in Latin America and Asia other countries have reached more than 20 preferential agreements without the United States. Lack of leadership will let barriers block American products and deny American workers the opportunity to increase their prosperity.
- Bipartisanship. Every President since Ford has had fast track authority. Congress has consistently recognized the President must have the authority to break down foreign trade barriers and a bipartisan majority of the United States Congress has consistently supported American leadership in opening markets and creating jobs.

Fast Track Talking Points:

GENERAL POINTS

- Fast track authority is in the national interest of the United States. America's economic strength and standard of living is linked to knocking down trade barriers, exporting our goods and services, and creating more high skilled jobs.

- Fast track is a prerequisite to US negotiating credibility and without it, the President cannot assure our negotiating partners that the deal they strike is the deal that will be voted on by Congress. Without that assurance, foreign governments are reluctant to negotiate with the United States.

- As we prepare the American people for the challenges of the 21st century, we face a critical choice: We can embrace the global economy and continue America's economic expansion, or we can turn our back on the world and fail to compete for new contracts, new markets, new business or new job opportunities.

- Every President since Ford, Republican and Democrat, has had fast track authority. Congress has consistently recognized the President must have the authority to break down foreign trade barriers and a bipartisan majority of the United States Congress has consistently supported American leadership in opening markets and creating jobs.

- The President supports raising labor standards, protecting the environment and ensuring through aggressive worker retraining and increased educational opportunities that no American is left out of the global economy

THE RECORD IS CLEAR

- President Clinton's economic strategy of deficit reduction, investing in our people through education and training, and opening markets to our goods and services has created the largest economic expansion in a generation.

- The American people have enjoyed the longest period of sustained growth of all our G-7 partners--seven years as of last March. The US economy has created 12 million new jobs, the unemployment rate is 5%, core inflation is at a 30 year low, and the value of the stock market has doubled since 1993.

- The United States is once again the world's largest exporter, the largest producer of semiconductors, and the largest producer of automobiles. Independent studies have found America to be the most competitive economy in the world for the past five years.

- Over the last four years, American manufactured exports rose by 42%, high technology exports jumped 46%, service exports climbed 26% and farm exports rose 43%.

- US industrial production has increased by 18% in real terms between 1992 and 1996, while Japan's has risen just 8% and Germany's declined by 1%.

- No country is better positioned to compete than the United States. To maintain the standard of living of the American people, President Clinton needs fast track authority to continue America's record economic expansion.

STAYING ON THE FAST TRACK: CREATING AMERICAN JOBS

- Over the past four years, one-quarter of our economic growth has come from overseas trade and US exports have created 1.4 million new American jobs. Fast track will help this trend continue.

- In addition, 11 million total American jobs are supported by exports, including one in five manufacturing jobs--paying 13-16% more than non-trade related jobs.

- Over the next decade, the global economy is expected to grow at three times the rate of the US economy. Growth will be particularly powerful in the world's emerging markets.

- In a world where over 96% of the world's consumers live outside of the United States, we must export our goods and services to sustain our standard of living at home. To stay on the global fast track, the American economy needs fast track authority.

MAINTAINING AMERICA'S STANDARD OF LIVING

The rapidly expanding global economy presents enormous potential for American companies and workers:

- Sectoral Agreements: The President would negotiate agreements in sectors where the US is most competitive. From medical equipment, environmental technology, telecommunications to high tech computers, the President will tear down more barriers to American exports. For example, the recent Information Technology Agreement eliminated tariffs and unshackled $500 billion of trade in semiconductors, computers, telecommunications equipment and software, amounting to a $5 billion tax cut in tariffs on American exports.

- Agriculture: The President would use fast track authority for negotiations to cut barriers in the $536 billion global agriculture market that will attack such practices as export subsidies and domestic support programs.

- Services: A $1.2 trillion global market—where US firms exported more than $220 billion in 1996 with a surplus of $74 billion. The President would address a wide range of service sectors, including health care, education, entertainment, tourism and business consulting and advertising.

Regional Free Trade Agreements

- Asia: Asia has the fastest growing economies in the world, with nearly 3 billion consumers. Forecasters expect real growth of 6-7% annually for the next 15 years. In APEC, the President is working to reach agreement in key sectors that could open these markets to America's goods and services.

- Latin America/Caribbean: The Latin American market is the fastest growing area for US exports in 1996. If this trend continue, Latin America and the Caribbean will exceed the EU as the top destination for US exports by 2000 and exceed Japan and the EU combined by 2010. The President is committed to the Free Trade Area of the Americas and Chile would be our first step in this process.

- Africa: Working with Congress, the President recently launched an Africa trade initiative to foster stronger economic prosperity in Africa and create new markets to American products. Africa's nations are joining the march toward freedom and open markets with Sub-Saharan Africa having 700 million potential consumers. Yet the United States supplies only 7% of Africa's imports. When ready, the President would explore free trade negotiations with South Africa.

AMERICAN LEADERSHIP

- Over 50 years of persistent American leadership has helped bring down global barriers to America's products--falling from an average 40% at the end of World War II to about 5% today. This has lead to a 90-fold increase in global trade.

- As the world's sole superpower, we simply cannot turn our back on the global economy. The United States exports more products and services than any country in the world and trade provided more than one-fourth of our economic growth over the past four years. Without fast track authority, the United States will lose our strong competitive advantage, erode our growing economic expansion and miss the opportunity to increase our exports and create more job opportunities.

THE PRICE OF INACTION:

- America's failure to participate in shaping the global trading system will allow our competitors to negotiate preferential trade arrangements, form strategic relationships excluding the United States and create new exclusive trade alliances. The United States must not abdicate its global leadership to the detriment of the American economy.

- Since 1992, in Latin America and Asia alone, our competitors have negotiated 20 free trade pacts excluding the United States.

- Today every major economy in this hemisphere has a preferential trade deal with Chile except the United States. This gives our competitors an 8% across-the-board tariff advantage for their products, which means American companies must sell to Chile with an immediate 8% cost disadvantage.

- For example, Canada's Northern Telecom won a $180 million telecommunications contract over three US companies in part because it could avoid paying $200 million worth of tariffs.

- MERCOSUR (Argentina, Brazil, Paraguay, Uruguay) wants to expand its agreements to include all of South America.

- China has targeted Mexico, Argentina, Brazil, Chile and Venezuela as "strategic priorities" in Latin America.

- ASEAN is forming a trade area that will include 400 million people. President Menem recently suggested a MERCOSUR-ASEAN FTA--an agreement that would encompass over 600 million people and severely disadvantage key US sectors.

- The EU has begun a process to reach a free trade agreement with Brazil, Argentina and other MERCOSUR countries and President Chirac has declared "Latin America's essential economic interests...lie not with the United States but with Europe."

FAST TRACK IS NOT ABOUT NAFTA:

- This debate is not about NAFTA. Fast track authority will allow the President to knock down trade barriers and negotiate a broad array of trade agreements--from sectoral agreements on medical equipment and telecommunications to regional agreements in Asia, Africa and Latin American to eliminating global barriers in the WTO. The debate over fast track is about embracing the opportunities of the global economy to create jobs, expand exports, and maintain America's standard of living.

RAISING LABOR STANDARDS AND PROTECTING THE ENVIRONMENT

- Opening foreign markets does not mean retreating from our commitment to labor and the environment. The President is committed to promoting worker rights and ensuring that economic growth does not come at the expense of a clean and healthy environment. Failing to engage the world's markets will not improve worker rights or protect the environment—but through dialogue and engagement these issues will be addressed.

FAST TRACK
Q&A'S

Q: Some say fast track is just about expanding NAFTA to include Chile. Are they correct? What will the President do with fast track?

Fast track is about giving America the ability to open markets, create jobs and improve the standard of living of the American people. Fast track will be used to negotiate sectoral agreements, regional free trade agreements and in the World Trade Organization to reduce global barriers in key areas like agriculture and services. Fast track will be used in areas where the U.S. is most competitive like medical equipment, environmental technologies and telecommunications.

For example, the Information Technology Agreement, concluded last year, eliminated tariffs and unshackled $500 billion of trade in semiconductors, computers, telecommunications equipment and software, amounting to a $5 billion tax cut in tariffs on American exports. With fast track authority, we can tear down more barriers to America's exports in places like Latin America and Asia, the fastest growing markets of the world, where too many barriers still restrict free access for U.S. exports.

More fundamentally, it is about maintaining America's competitive position and global leadership. If America does not knock down foreign trade barriers, our competitors will. Since 1992, in Latin America and Asia alone, other countries reached more than 20 preferential trade agreements excluding the United States. These countries are busy leveling the playing field for their exports. Without fast track, America will lose its global leadership and risk being relegated to the sidelines.

Q: Why is it so important to provide fast track authority? What happens if the United States doesn't have it?

A: America's future is increasingly tied to the global economy. In a world where over 96% of the world's consumer live outside the U.S. and the global economy is expected to grow at three times the rate of the U.S. economy, we must continue to export to be able to create more high skilled American jobs. Without fast track, America's hands will be tied in its ability to negotiate these critical argeements and drasticallty slow down our job creating potential.

Over the past four years, one-quarter of the our economic growth came from trade. To take advantage of these opportunities, we must continue to open export markets for America's companies and workers. Fast track authority gives the President the tools to continue that effort.

Q: Some say U.S. workers can't compete against workers from low wage countries. What are the facts?

A: The fact is the U.S. economy is the strongest in the world and American workers are the best trained, most highly educated and productive work force in the world—the can certainly compete with workers from low wage countries.

In the last 10 years, U.S. exports to low-wage countries have risen 240%, while exports to high wage countries are up just 140% and domestic sales by 75%. Exports to low wage countries now account for 42% of total U.S. exports. And these are high skilled, high paying jobs. Wages for export-related jobs pay 13-16% more than the national average.

Competition from low wage countries does create competitive pressures in industries where skills and productivity are lower, but most such jobs don't compete with imports. In fact, imports from non-oil developing countries account for only 4% of U.S. spending and has grown only 1.5% during the past decade. For those workers who are affected, we need to maintain our commitment to education and worker retraining. That's why the President is committed to making sure no American is left out of the global economy. Trade expansion must be part of a complete strategy to prepare the U.S. for global competition.

Q: Has NAFTA been a success? What's the record?

A: The record is good. NAFTA has provided many benefits, including expanded exports, creation of high wage jobs and protection of those exports and jobs during Mexico's recession and peso crisis. With the phasing in of NAFTA, U.S. goods exports have risen to historic levels in the last 3 years (1993 to 1996), up 33% to Canada, up 37% to Mexico. Goods exports to Mexico and Canada supported 2.3 million U.S. jobs last year. Such U.S. jobs supported by exports pay 13% to 16% more than the U.S. national average.

The best information available indicates that NAFTA has had a positive effect on jobs, creating 90,000 to 160,000 jobs in trade with Mexico alone. A study by DRI estimates NAFTA boosted real exports to Mexico by $12 billion in 1996, compared to a smaller increase in imports of $5 billion, controlling for Mexico's financial crisis. The agreement has also leveled our playing field with Mexico. Mexico's tariff cuts have been 5 times greater than ours. The agreement has helped American suppliers in key industries capture additional shares of Mexico's import markets, strengthening our position. Since NAFTA went into effect, our share of Mexico's import market has grown from 69.3% to 75.5%.

Q: Did NAFTA cause the peso crisis and the resulting recession?

A: No. In fact, the effects of the peso crisis would have been worse for the United States if it were not for NAFTA. When Mexico had its last financial crisis in 1981-82, it imposed 100% duties on American products, U.S. exports fell in half and it took 7 years for US exports to recover to 1981 levels. This time, Mexico continued to reduce its tariffs as required by NAFTA (even though it raised on them on our competitors). U.S. exports recovered to pre-recession levels in 18 months, protecting the 750,000 jobs dependent on those exports. A Federal Reserve of Dallas study concluded U.S. export growth was 7% higher than it would have been absent NAFTA.

Q: What is the record on NAFTA labor and environmental conditions along the U.S.-Mexican border?

A: NAFTA has given us better progress and cooperation with Mexico on labor and environmental concerns than we would have had without it. The problems along the border are longstanding and will not be solved overnight. But there are clear signs of improvement:

- From 1993 to 1996, Mexico's Secretariat of Labor and Social Welfare enforcement budget increased in real terms by nearly 250%.
- The overall rate of occupational injuries and illnesses fell from 47 per thousand in 1994 to 33 per 1000 in 1996.
- Mexico has seen the number of environmental violations dropping; with a 72% reduction in serious violations in the maquiladora industry from 1993 to 1996; and a 43% increase in the number of maquiladora facilities in complete compliance.
- The NAFTA institutions financing border cleanup projects have certified 16 projects, including infrastructure projects costing nearly $230 million.

We need to continue labor and environmental efforts with Mexico. But it's important to remember that the agreements to be reached under new fast track authority will not raise the kind of border concerns present with Mexico, a country sharing a 2000-mile border with the United States.

Q: Some say U.S. companies use the threat of relocation to Mexico to jawbone down the wages of America's workers - and they fear that will happen over and over again if we reach more free trade agreements. Why aren't they right?

A: The fact is that NAFTA makes it more attractive to stay in the United States. Before NAFTA, U.S. exports faced an average 10% tariff when sending U.S.-made goods to Mexico. They had restrictions that basically forced us to locate car production down there if we wanted to sell in their market. NAFTA eliminates all of this - and will eliminate only a 2% average tariff on products coming here.

If we let other countries reach trade agreements, while we sit on the sidelines, it will make it even more attractive for companies to locate outside the United States. If other countries eliminate the barriers their exports face, while U.S. exports still face high barriers, there is that much more incentive to produce elsewhere. If we want to keep jobs in the U.S., we should eliminate trade barriers for U.S.-made products.

Q: Some say NAFTA has diverted a considerable investment from the U.S. to Mexico. Is that true?

A: No. U.S. foreign direct investment in Mexico averaged $3.1 billion in 1994-96, little changed from the $2.5 billion the year before NAFTA took effect. The $3.1 billion was less than 0.3% of gross private fixed investment in the U.S. in 1996. The Big 3 invested $39 billion in the U.S. economy in the last three years, only $3 billion in Mexico.

DLC
Democratic Leadership Council

July 31, 1997

Maria

To: White House Staff
(See Distribution)

Fr: Edie Wilson, Trade Project Director

Re: **Fast Track**

The enclosed materials were delivered to all Congressional offices today for use during the August recess. We thought you would like to have a copy.

I can be reached at 608-1236.

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Andrew Friendly
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Mac McLarty
Linda Moore
John Podesta
Vicki Radd
Steven Silverman
Gene Sperling
Daniel Tarullo

Edie

DLC
Democratic Leadership Council

Edith R. Wilson
Director, Trade Project

518 C Street, NE
Washington, DC 20002
202-546-0007
FAX: 202-544-5014
E-mail: ewilson@dlcppi.org
WWW: http://www.dlcppi.org/

518 C Street, NE • Washington, DC 20002 • 202-546-0007 • Fax: 202-544-5002 • E-mail: info@dlcppi.org • WWW: http://www.dlcppi.org/

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Democratic Leadership Council

Dear Member of Congress:

Now that the budget debate is over, we are about to begin an important public debate about the future of U.S. international leadership as Congress takes up President Clinton's request for renewed fast track negotiating authority this fall. As every Democratic President in this century has known, expanding trade is essential to creating economic opportunity for ordinary Americans.

As you head home for the August recess, we hope you will find these materials helpful in explaining these issues to your constituents. We have included:

- America and the World Economy: What Every American Needs to Know
- Fast Track: Myths and Realities Talking Points
- Fast Track Negotiating Authority: What It Is and How It Works
- Expanding the Winners Circle: A New Social Compact
- Key Facts About U.S. and World Trade
- Key Facts About NAFTA

Support for open markets and hostility to protectionism is the oldest principle of the Democratic Party. It is simply unfair to elevate the interests of industries or groups threatened by international competition above the interests of workers in exporting industries; of consumers; of communities that benefit from foreign investment; and of every American who benefits from steady growth, low unemployment, and low inflation. The trade agreements we forge today will determine the strength of our nation's global position tomorrow and define U.S. opportunities in the new global economy.

At the same time, we must substantially improve our efforts to equip all Americans with the education and skills they need to be as competitive as individual citizens as we now are as a nation. We must defend the rights of workers to organize and influence employer decisions that affect their jobs and income. We must encourage and reward good corporate citizenship towards both employees and their communities. And we must use trade negotiations not simply to knock down barriers but also to lift incomes here and abroad, create eager customers for our goods, and fair and worthy competitors at the same time.

The message about fast track is simple: If America can't negotiate, Americans lose. We will be supplying the best information we can find to help you sift through the facts. I can be reached at 202-546-0001, and look forward to assisting you and your staff in the weeks ahead.

Sincerely,

Edie Wilson

Edith R. Wilson
Trade Project Director

518 C Street, NE • Washington, DC 20002 • 202-546-0007 • Fax: 202-544-5002 • E-mail: info@dlcppi.org • WWW: http://www.dlcppi.org/

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Talking Points

July 1997

America and the World Economy

What All Americans Need to Know

▸ Trade Contributes to American Prosperity

Trade expansion raises American living standards while simultaneously increasing economic prosperity in other countries. When unemployment is high, export growth increases demand for U.S. goods and services, increasing employment. Even today, in an economy at full employment, trade expansion benefits Americans by contributing to higher incomes and shifting the pattern of job creation in the direction of high-productivity, high-wage jobs. Since 1992, over 11 million new jobs have been created and, of these, 1.5 million have been high-wage, export-related jobs—which, on average, pay 13 to 16 percent more.

▸ We Need Fast Track Authority

The United States has been the world's most competitive, major economy for the last three years. To maintain this prosperity, Congress must give the President the ability to protect America's interests in the world trading system through renewed fast track trade negotiating authority. Key regional negotiations are about to begin as well as negotiations in agriculture, financial services, information technology, and other service industries—sectors where our country is a world leader. Unfortunately, the President has not had fast track trade authority for three years now—despite the fact that every President since Gerald Ford has had it. Without fast track, the United States cannot negotiate tough, new trade agreements and fair, reciprocal trading rules. Failure to renew negotiating authority will only encourage competitors to cut America out of new industry-wide and regional accords. Already 22 agreements have been signed without the United States.

▸ All Americans Gain from Global Leadership

The recent passage of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), the formation of the World Trading Organization (WTO), and free trade agreements with Canada and Mexico, as well as 200 other lesser-known trade agreements since 1992, have benefitted the United States by substantially reducing tariff barriers and by including provisions for the reduction of non-tariff barriers. Only three years after its passage, the North American Free Trade Agreement (NAFTA) is fulfilling its promise.

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Our trade relations with Canada and Mexico are better, prices on consumer goods are lower, and trade and investment throughout North America have increased. Today, the U.S. economy creates in one month the number of jobs displaced because of NAFTA in the last three years.

▸ We Need to Open New Markets

With 95 percent of the world's consumers living outside our borders, the United States depends on new markets to sell its goods and services. From Latin America to the booming Pacific Rim, to Russia and the former communist states of Europe, the failure of socialism and centrally-planned economies has sparked a resurgence of market economies and democratic governance. The United States has spurred this resurgence by helping emerging economies tap into global investment and by developing new multilateral, debt-reduction programs for heavily-indebted poor countries. Expanding trade and opening new markets are important components of an overall strategy to accelerate U.S. economic growth while promoting democracy and stability abroad.

▸ Investment at Home and Abroad Benefits Americans

U.S. investment abroad creates new markets and customers for U.S. companies. In 1993, American companies' foreign operations sold 66 percent of all their goods and services in the host country's market and 89 percent of their goods and services outside the United States. Foreign direct investment (FDI) in the United States creates jobs and fuels economic growth. In 1993, foreign companies operating in the United States employed 4.7 million people, or five percent of all Americans employed by private industry. Currently, the United States receives more FDI than any other country in the world.

▸ Imports Play a Vital Role in Our Economy

Imports play an important role in strengthening our overall economy by increasing competitive pressures on domestic producers to upgrade and innovate and by providing American consumers with the best and most competitively priced products in the world. The United States is the world's largest importer even though, proportionate to the size of its economy, the United States imports far less than countries such as China, France, Germany, and the United Kingdom. By contrast, U.S. imports are now equal to only 12 percent of gross domestic product (GDP).

▸ Trade Deficits Don't Tell the Whole Story

Despite the attention annual trade deficits receive in the media, running a current account deficit is not always bad. Current account deficits and surpluses are primarily determined by macroeconomic circumstances, particularly the balance between domestic saving and investment. A current account deficit simply means that the United States is, on balance, borrowing from the rest of the world; a current account surplus means that the U.S. is a net lender to the rest of the world. Whether this borrowing or lending is good or bad depends, as it would for any individual or business, on what the borrowing is used for or why the country is lending. Annual trade deficits are 1.7 percent of GDP. In the 1980s, U.S. trade deficits were problematic because large budget deficits were reducing national saving without increasing public investment. However, the recent increase in our trade deficit appears to be financing new U.S. investment, particularly in business equipment. Moreover, the U.S. economy is experiencing historic prosperity which provides the necessary resources to repay our loans from the rest of the world. It should be noted, however, that running large current account deficits over a long period of time may have a negative impact on the overall economy. The most efficient way to counter this potential negative impact is to increase national savings rates.

▸ The Cost of Inaction—We Have No Time to Wait

With the expansion of global markets linked by computers, satellite communications, and advanced transportation networks, international trade and investment play an ever-increasing role in American prosperity. The United States cannot afford to retreat from a proactive strategy of trade expansion that takes advantage of our position as the world's most prosperous and dynamic economy. The trade agreements we sign today will determine the strength of our nation's global position tomorrow and define U.S. opportunities in the rapidly globalizing economy. Increases in GDP, a 70 percent reduction in federal budget deficits over the last four years, and the prospect of a balanced budget lay the foundation for continued economic expansion. However, sustained prosperity is contingent on our willingness to use all the tools at our disposal to compete in and shape the global economy.

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Fact Sheet

July 1997

Fast Track

Myths & Realities

1. Myth **Fast track authority will only repeat the mistakes we made with the North American Free Trade Agreement (NAFTA).**

Reality Wrong. The fast track debate is about American leadership in world trade—about whether we will participate in a wide-ranging series of new negotiations that are about to start with or without us. It is about expanding opportunities in international markets for American-made goods and services and about sustaining our economic growth and prosperity. The trade agreements we forge today will determine the strength of our nation's global position tomorrow and define U.S. opportunities in the economy of the future—but we can't do it without fast track.

Second, NAFTA is on track. In 1996, nearly one-third of U.S. trade in goods was with Canada and Mexico ($421 million). Our NAFTA partners accounted for 53 percent of the growth in total U.S. exports in the first four months of 1997. Further, NAFTA has "locked in" not only a steadily decreasing tariff rate on almost all products, but also significant market reforms and dispute settlement procedures. It has increased certainty and stability in our commercial relations with our two largest trading partners in the world.

Third, NAFTA has also given us increased opportunities, new forums, and a process to engage our neighbors in addressing non-trade issues of mutual concern including immigration, drug trafficking, labor rights, and environmental protection.

2. Myth **Fast track authority means that our Congress has no voice in the negotiations.**

Reality Wrong. Fast track authority is an agreement between the executive branch and the Congress to ensure that:

- The executive branch's constitutional prerogative to conduct international commercial negotiations is balanced by the legislative branch's constitutional prerogative to review and approve these agreements. *Fast track is the proven vehicle for achieving this balanced approach*, having been used for every international trade negotiation since 1974.

- There is extensive consultation between the President and the Congress prior to and throughout the negotiation of trade agreements to ensure transparency, public debate, and fine-tuning of negotiating positions.

- U.S. trade negotiators and trade partners can negotiate with full confidence of knowing that the agreement they reach *will not be changed once submitted* to Congress, and will be honored and implemented in its entirety by the United States provided Congress approves the agreement. Without it, we cannot expect our partners to negotiate seriously.

- Fast track is a process designed to serve the overall national interest in trade, not any single special interest. If the President can negotiate a good trade deal, he should have the authority to submit it to Congress for approval. Without fast track, he cannot.

3. **Myth** **Fast track is only about expanding NAFTA to include Chile.**

Reality Wrong. The fast track stakes for the United States are much larger and more complex. Negotiations are scheduled to begin soon with or without U.S. participation. Fast track authority will enable the United States to advance our global economic interests in four key trade arenas of trade:

- *Multilateral arena*: The World Trade Organization, the institution under which the General Agreement on Tariffs and Trade operates, has an ongoing agenda that includes:

  — Agricultural negotiations to further reduce barriers—such as export subsidies and domestic support programs—in the $526 billion global agricultural trade market.

  — Services negotiations addressing a wide range of services in which the United States is highly competitive—such as health care, education, entertainment, tourism, business consulting, and advertising—to further open this $1.2 trillion global market.

— Government procurement—the provision of goods and services to public-sector entities and public works projects. U.S. providers in sectors such as construction, high-tech electronics, telephone, and office product sectors need to participate in the creation of these new rules to ensure a level playing field with foreign competitors for these multi-billion dollar contracts.

- *Sectoral trade agreements*: With fast track negotiating authority, the United States can pursue its national interest and break down trade barriers in key sectoral negotiations where we are world leaders—including areas such as computer software, information technology, medical equipment, and environmental technology.

- *Regional trade agreements*: Through negotiations toward a "Free Trade Area of the Americas" (FTAA), targeted for completion in 2005, the United States could reduce trade barriers in our fastest growing market. In Asia, the Asia-Pacific Economic Cooperation (APEC) forum contains the fastest growing economies in the world today (a market of $2.8 trillion in gross domestic product); the United States is committed to achieving free and open trade with its fellow APEC members by 2010.

- *Bilateral trade agreements*: The United States has committed to negotiating comprehensive bilateral agreements with Chile and New Zealand, among others. In addition, a number of countries have requested negotiations for bilateral intellectual property rights agreements and bilateral investment treaties.

4. Myth **Fast track leads to more trade agreements that will increase the U.S. trade deficit.**

Reality Wrong again. Fast track ensures that the Congress will have the opportunity to review each new trade agreement, both during the negotiations and as a package once submitted for approval.

There is no direct relationship between annual trade deficits and the signing of new trade agreements. More importantly, current account trade deficits are not necessarily harmful to the overall economy if the deficit is at a manageable percentage of gross domestic product (GDP) and the capital we are borrowing is invested in activities that contribute to economic growth. Currently, our annual trade deficit is only 1.7 percent of GDP which is much lower than other advanced countries.

5. **Myth** **We should fine tune existing trade agreements before we negotiate any more.**

Reality Wrong approach. The United States should have the ability to engage in trade negotiations that are in our national interest while we work with our trade partners to improve existing agreements.

If all we do is fine tune existing agreements, our competitors will take advantage of further delays by reaching agreements without U.S. participation, which is likely to be detrimental to the interests of U.S. workers and businesses. Over twenty-two such agreements have already been signed without any U.S. participation.

6. **Myth** **America can grow without trade.**

Reality Dead wrong. The United States is the world's largest trading nation and the world's most competitive trader. To sustain our own economic growth, we need increased access to the 95 percent of the world's consumers living outside our borders—85 percent of whom live in developing countries, the largest growth regions both now and in the future.

U.S. exports account for 12 percent of all world goods exports and 16 percent of all world services exports. Expanded trade has been a huge contributor to our national economic success. Exports have increased by one-third in the last three years alone. Between 1986 and 1994, jobs supported by exports rose 63 percent—more than four times faster than overall private industry growth. By 1997, 12 million U.S. jobs depended on exports, a number that is expected to rise to 16 million by the year 2000. Over the last four years, U.S. job growth has been greater than the combined job creation of all the other industrialized nations.

7. **Myth** **Fast track is detrimental to American workers. Fast track negotiated trade agreements are responsible for falling wages, increased job insecurity, declining incomes, and a decline in manufacturing jobs in America.**

Reality Just plain wrong. By allowing the President to negotiate free and fair trade agreements, fast track allows us to protect the interests of American workers by opening new markets for American-made exported goods and services. It also allows us to set new rules in areas like intellectual property rights that ensure that American investment in innovation is not stolen. Exports support higher paying jobs and are key to sustaining economic growth. Fast track is about maintaining and expanding the U.S. export base—U.S. manufacturing exports are increasing, not decreasing.

Export-related jobs pay an average 13-16 percent higher than the national average. In addition, competitive pressures associated with trade play a key role in holding down consumer prices. Export-related jobs contribute to a rising standard of living.

We are enjoying the most stable U.S. economy in thirty years. Unemployment has fallen from 7.5 percent in 1992 to 4.9 percent in April of 1997 while inflation remained steady at approximately 3.5 percent. Core inflation (excluding volatile energy and food prices) was at 2.6 percent in 1996. The combination of low unemployment and low inflation means the lowest "misery index" since the 1960s.

8. **Myth** **We always give up more than we gain in trade negotiations. Fast track just makes our losses happen more quickly.**

Reality Untrue. Because our market is already one of the world's most open, we give up very little in trade negotiations. Our trading partners, whose markets are still far more restrictive, give up substantially more. Nevertheless, our trade partners leap at any opportunity to enhance access to the world's richest market. We need fast track authority in order to break down foreign barriers to trade, open new markets for U.S. goods and services, and ensure that they remain open.

9. **Myth** **Fast track won't take care of issues like immigration, drug trafficking and environmental problems like those that have resulted from NAFTA.**

Reality True: Fast track has nothing to do with these issues. However, having the authority to engage our partners in trade negotiations gives us more clout to make progress on these issues. Conversely, without fast track, we weaken our ability and credibility to pursue other foreign and economic policy objectives.

Trade agreements give us enhanced and more frequent opportunities and forums to engage our trading partners on these important issues. For example, making environmental and trade policy mutually supportive enjoys growing support in our country and internationally. The Rio Summit on Sustainable Development (1992), the Summit of the Americas (1994), and ongoing work in the World Trade Organization all reflect an international commitment to find new methods of collaboration to resolve environmental issues.

10. **Myth** **We should just "wait and see" how other trade negotiations shape up and then decide whether or not to play a role.**

Reality No. That is not only a bad negotiating strategy, but unsound public policy. If we wait to see how global or regional agreements shape up, we will have no ability to influence the trade agenda, the rules of individual agreements, or the obligations of the members of the agreement. The United States would be left in a position of accepting or rejecting a trade package in which we did not participate but which may be detrimental to the interests of our workers and businesses.

11. **Myth** **The United States does not need fast track to negotiate trade agreements, and our partners need access to our market so badly that they will continue to negotiate with us anyway.**

Reality Yes, we do and no, they won't. Our trading partners are unwilling to engage in comprehensive negotiations without the assurance that the deal they strike will not be watered down by amendments and other changes. No country is going to reveal their best offer to a trading partner that can't make a deal and keep it. Our trading partners will not negotiate with us without fast track, as evidenced by Chile's current refusal to go forward with bilateral negotiations. Instead, Chile has negotiated an associate membership with the Mercosur, and a free trade agreement with Canada, both of which carry tangible disadvantages for the American economy.

It is clear that our trading partners would prefer the status quo with the United States to bad faith negotiations. Meanwhile, they are cutting deals with other markets to the detriment of U.S. interests.

12. **Myth** **Fast track and more trade agreements will just make hard times harder for those American workers who are not benefitting from our prosperity.**

Reality Trade, like technological change and every other development in the new world economy, produces dislocations and insecurity. But the way to deal with dislocations and insecurity is to confront them directly, not wish them away.

We must substantially improve our efforts to equip all Americans with the education and skills they need to be as competitive as individual cities as we are now as a nation. We must defend the rights of workers to organize and influence employer decisions that affect their jobs and income. We must encourage and reward good corporate citizenship towards both employees and the communities in which they live. And we must use trade negotiations not simply to knock down barriers, but also to lift incomes here and abroad, create new customers for our products and fair and worthy competitors at the same time.

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Fact Sheet

July 1997

Fast Track Negotiating Authority

What It Is & How It Works

What is Fast Track negotiating authority?

- Fast track negotiating authority was agreed to between the executive and legislative branches as part of the Trade Act of 1974 in order to negotiate and implement the Tokyo Round of the General Agreement on Tariffs and Trade (GATT). Reviewed and renewed over time, fast track authority has been used to implement each comprehensive trade agreement in which the United States has been a party since that time: Tokyo Round of the GATT (1979); U.S.-Israel free trade agreement (1985); U.S.-Canada FTA (1988); National Free Trade Agreement (NAFTA) (1993); and, the Uruguay Round of the GATT(1994).

Fast track authority is an agreement by the executive branch and Congress designed to ensure that:

- The executive branch's constitutional prerogative to conduct international commercial negotiations is balanced by the legislative branch's constitutional prerogative to review and approve these agreements. Fast track is the proven vehicle for achieving this balanced approach.

- There is extensive consultation between the President and Congress prior to and throughout the negotiation of trade agreements to ensure transparency, public debate, and fine-tuning of negotiating positions.

- U.S. trade negotiators and trade partners can negotiate with full confidence that the agreement they reach will not be changed once submitted to Congress, and will be honored and implemented in its entirety by the United States provided Congress approves the agreement.

How does Fast Track work?

- Fast track negotiating authority is granted by Congress, usually for a specified period and a specified set of negotiations.

- The President notifies Congress that he intends to negotiate a trade agreement with a given country or countries.

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- Congress approves or disapproves the President's request under a special timetable.

- If approved, the President enters into negotiations for the trade agreement, assured of an up or down vote by the Congress upon submission of legislation implementing the agreement under U.S. law.

- During the negotiation process, fast track requires the President to consult with Congress on the progress, substance, and issues in the negotiation. Congress typically holds hearings related to the negotiation but individual consultations with Members and committees are also held as needed.

- Once negotiations are completed, the President notifies Congress of his intent to sign the agreement. After a specified time period has elapsed, the President signs the agreement and submits legislation that will implement the agreement under U.S. law (including mandated reports by his advisory committees, etc.) for congressional approval.

- Under a specific timetable, Congress then votes on the implementing legislation for the trade agreement.

(Based on the Trade Act of 1974 as amended; 1988 Omnibus Trade Act as amended)

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Fact Sheet

July 1997

Expanding the Winner's Circle

A New Social Compact

As our stake in the new global economy increases, so does our responsibility to ensure that all Americans have the opportunity to compete effectively. Trade liberalization must go hand-in-hand with a new domestic agenda that offers all U.S. workers lifelong access to career training; provides more effective public support for workers in transition; equips them with the tools to manage their own career security by controlling their health and pension resources; and redefines corporate responsibility in a world of borderless markets.

Create a Lifelong Career Opportunity System for All Americans

- Expand support for apprenticeships to help train young people not bound for college.

- Replace today's ineffective federal job training and adult education programs for displaced workers with individual vouchers. Workers would be able to decide for themselves the best way to build the skills they need to secure good jobs and wages in a rapidly changing economy.

- Create a competitive system of public, non-profit and private One-Stop Career Centers that would give every American access to reliable information, allowing them to choose appropriate education and training providers, apprenticeships, colleges and, ultimately, jobs.

- Reform the tax code to provide all workers with access to job training by: 1) experimenting with tax-preferred savings accounts to help people set aside funds to enhance their career skills; and 2) reforming the tax law so that any firm providing tax-free training to its managers and professionals could not discriminate against other employees by denying them comparable opportunities, as long as workers who take advantage of these opportunities agree to stay with the firm for a reasonable period.

Extend Portable Health Insurance and Pensions to all Americans

- Portable health insurance is critical for workers as they assume more responsibility for their own economic security in the global economy.

Although job-based health insurance covers most Americans, workers should have portable benefits that enable those who are changing jobs or are laid-off to retain their health insurance coverage during the transition. To support these workers and those whose employers do not offer insurance, this segment of the population should be able to purchase their own coverage with help from a refundable tax credit.

- Restructuring Social Security to place the program on sound fiscal footing should include changes in our retirement system that promote self-reliance, greater personal responsibility, and a more reasonable tax burden on working families.

- While many workers have portable pensions that allow them to roll over their pension assets when they change employers, this option should be available for every American.

Performance-based Compensation, Equity-Sharing and other Reward Systems

- To provide average Americans with more opportunities and incentives to increase productivity and innovation on the job, firms should be encouraged to establish reward systems that are internally equitable, competitive, and linked to the long-term performance of the firm. Extending the non-discrimination rule that is currently used for health care coverage and pension contributions to this area should be examined. Specifically, when a firm provides tax-favored, performance-based bonuses to executives, all employees should be eligible to earn such compensation.

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July 1997

Key Facts About NAFTA

North American Trade

- In 1996, nearly 40 percent of U.S. trade in goods with the world was with the Western Hemisphere ($242 billion). Trade with our North American Free Trade Agreement (NAFTA) partners has increased 44 percent since NAFTA was signed, compared with 33 percent for the rest of the world. Mexico and Canada accounted for 53 percent of the growth in total U.S. exports in the first four months of 1997.

- Between 1993 and 1996, U.S. exports to Mexico grew by 36.5 percent to a record high of $15.2 billion, despite a 3.3 percent reduction in overall Mexican demand over this same period.

NAFTA's Impact on Trade Barriers and the U.S. Economy

- Since NAFTA, Mexican tariffs on U.S. goods have been reduced by an average of 7.1 percent. U.S. tariffs on Mexican imports have been reduced by 1.4 percent; however, some of these reductions would have taken place under the Uruguay Round, regardless of NAFTA.

- Overall, U.S. trade with Mexico has grown nearly 60 percent in the last three years. Despite Mexico's economic problems and a temporary drop in U.S. exports, the United States still exported $46.3 billion in 1993. U.S. investment in Mexico averages only half of one percent of domestic investment in plant and equipment. By the end of 1997, Mexico will be our second largest trading partner. For every dollar Mexico spends on foreign imports, 75 cents goes to the United States.

- The U.S. economy creates in one month the number of jobs displaced by NAFTA in three years.

- It is difficult, methodologically, to isolate NAFTA's effect on the U.S. economy because NAFTA is only three years old, the Mexican peso has fallen, and U.S. tariff reductions under the Uruguay Round have taken place during the same period. However, after controlling for other variables, several studies have shown that NAFTA had a modest positive impact on U.S. net exports, income, investment, and jobs supported by exports.

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- A recent study by DRI estimates that NAFTA increased real exports to Mexico by $12 billion in 1996, compared to a smaller real increase in imports of $5 billion, controlling for the Mexican peso crisis. The larger impact on U.S. exports reflects the fact that under NAFTA, Mexico lowered its tariffs approximately five times more than the United States. DRI estimates that NAFTA contributed $13 billion to U.S. real income and $5 billion to business investment in 1996, controlling for the Mexican peso crisis.

NAFTA'S Impact on the Mexican Economy

- In 1996, Mexico recovered from its most severe recession since the 1930s. NAFTA played a small, yet positive, role in this recovery by imposing economic discipline on the Mexican economy. In contrast to Mexico's 1982 financial crisis, Mexican economic output dropped more quickly in 1995, but it also rebounded more quickly, reaching pre-crisis levels at the end of 1996. In 1982, it took Mexico 7 years to return to international capital markets, in 1995, it took only 7 months.

- In 1995, Mexico continued to implement NAFTA provisions even as it raised tariffs on imports from other countries. As a result, U.S. exports recovered in 18 months and were up nearly 37 percent by the end of 1996 relative to pre-NAFTA levels, even though overall Mexican consumption decreased by 3.3 percent.

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Key Facts About U.S. and World Trade

- Between 1977 and 1996, U.S. exports as a percentage of U.S. gross domestic product (GDP) increased from 8.5 percent to 13 percent. In addition, global capital flows have exploded—between 1990 and 1995, total U.S. investment abroad has grown by 65 percent, while investment in developing countries has nearly doubled.

- Since 1992, the number of high-wage, export-related jobs in the U.S. economy has increased by 1.5 million. These jobs pay more—13 percent to 16 percent more on average—than the median wage job. Over 12 million U.S. jobs are supported by export-based industries, and by the year 2000 this number is expected to rise to 16 million.

- Exports have increased 42 percent since 1992, and today we export one-eighth of all the goods and services we produce.

- As a percentage of GDP, the United States imports far less than other advanced countries. The United States imports 12.6 percent of GDP, compared to 19.4 percent for China; 21.4 percent for France; 23.3 percent for Germany; and 30 percent for the United Kingdom.

- Running a trade surplus is very difficult when the economy is growing. Nonetheless, the overall U.S. trade deficit today is only 1.7 percent of GDP, down from 3.3 percent of GDP in 1986-87.

- Foreign direct investment (FDI) benefits the investor and the host country by creating new markets and customers, increasing access to new knowledge and technology, and reducing capital and information failures. In 1993, American companies' foreign operations sold 66 percent of all their goods and services in the host country's market and 89 percent of their goods and services outside the United States. Also, the United States is the world's largest recipient of FDI.

- Trade between firms and their foreign affiliates (intrafirm trade) is often an efficient form of international trade because it reduces problems of imperfect information. Over a third of U.S. exports and two-fifths of U.S. imports are estimated to be intrafirm. Worldwide, about one-third of trade is intrafirm.

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- The Asia-Pacific region is the United States' most viable market, purchasing 30 percent of U.S. goods and absorbing more than $40 billion of U.S. foreign direct investment between 1991 and 1995. Latin America is the second fastest growing region for U.S. goods and services.

- Overall, trade with Mexico has grown nearly 60 percent in the last three years. Despite Mexico's economic problems and a temporary drop in U.S. exports, the United States still exported $46.3 billion worth of goods to Mexico in 1995. This is 11 percent more than the pre-NAFTA level of $41.5 billion in 1993. U.S. investment in Mexico averages only half of one percent of domestic investment in plant and equipment. By the end of 1997, Mexico will be our second largest trading partner. For every dollar Mexico spends on imports, 75 cents goes to the United States.

For additional information , please visit our Web site: http://www.dlcppi.org/trade.htm.

THE WHITE HOUSE

WASHINGTON

FAST TRACK BRIEFING

Roosevelt Room

September 2, 1997

MATERIALS

I. The President's Radio Address, *August 23, 1997*

II. Testimony of Ambassador Barshefsky, *June 10, 1997*

III. Message and Talking Points, *September 2, 1997*

IV. State-by-State Export Data, *May 1, 1997*

V. Talking Points: Cabinet Member Hill Consultations *(Handout)*

THE WHITE HOUSE

Office of the Press Secretary

(Martha's Vineyard, Massachusetts)

Embargoed For Release
Until 10:06 A.M. EDT
Saturday, August 23, 1997

RADIO ADDRESS OF THE PRESIDENT
TO THE NATION

Martha's Vineyard, Massachusetts

THE PRESIDENT: Good morning. Today I want to talk about the tools we need to keep our economy growing in a way that helps all our people to prosper and advances America's leadership in the world as we move into the 21st century.

For nearly five years now, we have pursued a new economic course for America, with three parts: eliminate the deficit, invest in education and training, and open new markets abroad for America's products and services. It is working. The American people are enjoying the longest period of sustained economic growth in a generation -- with 12 million new jobs, unemployment below five percent, core inflation at a 30-year low. Once again, America is the world's number one exporter, the world's largest producer of semiconductors, the world's largest producer of automobiles. Our nation has been ranked the world's most competitive economy for the last five years.

With a strong and prosperous America moving into the 21st century, we must continue our successful economic strategy. In 1993, we passed an economic plan that cut the deficit 75 percent in four years. And now we have a balanced budget with an historic focus on education and incentives to bring jobs to people and places that still don't have them.

But to keep America growing, to keep America leading, we have to continue to create high-wage jobs, and to do that, we must continue to expand American exports. After all, 95 percent of the world's consumers live beyond our borders. Already, over the last four years, more than 25 percent of our economic growth has come from overseas trade. Now, that's a big reason more than half our new jobs in the last two years have paid above average wages, because export-related jobs pay, on average, about 15 percent more than non-export jobs. And today, our exports support more than 11 million good, high-paying American jobs, including one in five of our manufacturing jobs.

To keep our economy growing and to create these good jobs we must keep tearing down foreign barriers to American goods and services. That's why, next month, I will ask Congress to renew presidential fast track authority to negotiate tough new trade agreements. This is authority that every President from both parties has had since 1974. I will use it to negotiate trade agreements that will keep us competitive, boost our exports, create more good jobs and raise our standard of living.

This fast track authority will do three things. First, it gives the President the flexibility I need to forge strong agreements in sectors where our nation is most competitive -- such as agriculture, information technology, medical equipment and environmental technology. Second, it will strengthen my ability to get worldwide agreements, especially for our nation's farmers, tearing down barriers in the world agricultural market. It will also help to ensure that American companies and workers compete in the global economy in a contest that is open, with a level playing field, with rules that are fair and enforced.

Third, it will help me to negotiate more open markets with specific countries, especially in Latin America and Asia. In the coming century, these emerging markets in Latin America and Asia are expected to grow three times as fast as our own -- and their demand for United States goods and services is already taking off. If we don't seize these new opportunities, our competitors surely will. Already, since 1992, in Latin America and Asia alone, our competitors have negotiated 20 trade agreements that do not include the United States.

To make sure all our people share the fruits of increased prosperity and commerce, I also will continue to promote worker rights and responsible environmental policies with our trading partners. And I'll keep working to strengthen retraining and educational opportunities for workers here. We have to pull together, not apart, to compete and win in the global economy.

For more than two decades now, on a bipartisan basis, Congress has consistently supported initiatives to open markets and create jobs -- including the President's authority to break down trade barriers around the world. Our workers and our businesses are the best in the world, but they can't compete in the slow lane. I look forward to working closely with Congress to keep American prosperity on the fast track.

END

Fast Track: In the National Interest of the United States

FAST TRACK MEANS: **IMPROVING OUR STANDARD OF LIVING**

- Keeping the Economy on the Fast Track. By breaking down trade barriers and creating new jobs, the President will use fast track authority to keep America's economic expansion on the global fast track.
- The Economy Is Strong. The President's three-part economic strategy of cutting the deficit, investing in education and training, and opening markets abroad is working. America has enjoyed the longest period of sustained growth in a generation— more than 25% coming from overseas trade. The result: 12 million new jobs, unemployment at 5%, inflation the lowest in a generation.
- Our Future Prosperity Depends on Trade. 96% of the world's consumers live outside the United States. The global economy will grow at three times the rate of the US economy. America needs fast track to seize opportunities to negotiate fair new trade agreements that will keep us competitive, expand our exports, create more jobs, and raise our standard of living.

FAST TRACK MEANS: **CREATING MORE JOBS**

- Breaking Down Barriers. The President will keep breaking down barriers to American products and services because that strategy is producing positive results for companies and workers. America is once again the world's largest total exporter, the largest producer of semiconductors, and the largest producer of automobiles. Exports support 11 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.4 million new jobs.
- Sectoral Agreements. The President needs the flexibility to negotiate agreements in sectors where the United States is most competitive: such as agriculture, medical equipment, telecommunications, and environmental technology.
- Regional Free Trade Agreements. With this authority, the President is determined to continue opening markets in Asia, Latin America, and Africa to US goods and services.
- Free and Fair Trade. The President supports raising labor standards, protecting the environment and expanding worker retraining and educational opportunities to ensure that no American is left out of the global economy.

FAST TRACK MEANS: **MAINTANING AMERICA'S GLOBAL LEADERSHIP**

- Compete or Retreat. As the American people prepare to meet the challenges of the 21st century, we face a critical choice: Embrace the global economy and continue to shape it to America's advantage, or turn back and fail to compete for new business, new contracts, and new jobs.
- Credibility. Fast track gives the US the credibility to negotiate tough trade deals because our partners know any agreement will not be reopened provision-by-provision by the Congress. Fast track also preserves for the Congress the ultimate decision of whether any potential agreement is good or bad for America. That assurance puts American in the best position to negotiate major trade agreements and maintains a balance that has worked for over 20 years.
- Continued Bipartisanship. Every President since 1974--Republican and Democratic--has had fast track authority. Congress has consistently recognized that the President must have the authority to break down foreign trade barriers, and a bipartisan majority of the United States Congress has consistently supported American leadership in opening markets and creating jobs.

STAYING ON THE FAST TRACK

- Fast track authority is in the overriding national interest of the United States. America's economic strength and standard of living are linked to breaking down trade barriers, exporting our goods and services, and creating more high-skilled jobs.

- This debate is also about American leadership. As the American people prepare for the challenges of the 21st century, we face a critical choice: We can embrace the global economy, write the trade rules, and continue America's economic expansion, or we can turn our back on the world and fail to compete for new markets, new contracts, new business and new job opportunities.

- The President must have the authority to break down foreign trade barriers. Every President since 1974-- Republican and Democratic---has had fast track authority. A bipartisan majority of Congress has consistently supported initiatives to open markets and create jobs. At stake in this debate is both Presidential leadership and a bipartisan consensus on US trade policy.

- Fast track gives the US the credibility to negotiate tough trade deals because our partners know any agreement will not be reopened provision-by-provision by the Congress. Fast track also preserves for the Congress the ultimate decision of whether any potential agreement is good or bad for America. That assurance puts American in the best position to negotiate major trade agreements and maintains a balance that has worked for over 20 years.

- As we increase our trade, the President is committed to raising labor standards and protecting the environment around the world and ensuring through aggressive worker retraining and increased educational opportunities that no American is left out of the global economy

MAINTAINING OUR STANDARD OF LIVING

- Opening markets to US goods and services has been critical to our economic expansion.

- President Clinton's economic strategy of deficit reduction, investing in our people through education and training, and opening markets to our goods and services has created the largest economic expansion in a generation.

- The American people have enjoyed the longest period of sustained growth of all our G-7 partners--seven years as of last March. The US economy has created 12 million new jobs, the unemployment rate is 5%, core inflation is at a 30-year low.

- The United States is once again the world's largest exporter, the largest producer of semiconductors, and the largest producer of automobiles. Independent studies have found America to be the most competitive economy in the world for the past five years.

- The United States exports more products and services than any country in the world and trade provided more than 25% our economic growth over the past four years.

- Over the last four years, American manufacturing exports rose by 42%, high technology exports jumped 46%, service exports climbed 33% and farm exports rose 41%.

- No country is better positioned to compete than the United States. We have every reason to have confidence in our economy, in our companies and workers and in our capacity to compete and win. Fast track is a test of that confidence—and a prerequisite for seizing the trade opportunities before us around the world.

CREATING MORE AMERICAN JOBS

- Over the past four years, more than 25% of our economic growth has come from overseas trade and US exports have created 1.4 million new American jobs. Fast track will give us the chance to continue this trend.

- In addition, 11 million total American jobs are supported by exports, including one in five manufacturing jobs--paying an average of 13-16% more for non-management workers than non-trade related jobs.

- Over the next decade, the global economy is expected to grow at triple the rate of the US economy. Growth will be particularly strong in the world's emerging markets, where demand for American goods and services are taking off.

- In a world where over 96% of the world's consumers live outside of the United States, we must export our goods and services to sustain our standard of living at home. To stay on the global fast track, the President needs fast track authority.

BREAKING DOWN TRADE BARRIERS

The expanding global economy presents enormous potential for American companies and workers:

- Sectoral Agreements: The President would use fast track authority to negotiate agreements in sectors where the US is most competitive. From medical equipment and services, environmental technology and services, telecommunications to high tech computers, the President will tear down more barriers to American exports. For example, the recent Information Technology Agreement eliminated tariffs and unshackled $500 billion of trade in semiconductors, computers, telecommunications equipment and software, and according to industry estimates, amounts to a $5 billion tax cut in tariffs on American exports.

- Agriculture: The President would use fast track authority for negotiations to reduce barriers in the $536 billion global agriculture market that will attack such practices as export subsidies.

- Services: The service sector represent a $1.2 trillion global market—where US firms exported more than $220 billion in 1996 with a surplus of $73 billion. We have the opportunity to open a wide range of service sectors, including health care, education, entertainment, tourism and business consulting and advertising.

Regional Free Trade Agreements

- Asia: Asia has one of the fastest growing economies in the world, with nearly 3 billion consumers. Forecasters expect real growth of 6-7% annually for the next 15 years. With our APEC partners, the President is working to reach agreement in key sectors that could open these dynamic markets to America's goods and services and keep the free trade process going.

- Latin America/Caribbean: The Latin American market including Mexico is the fastest growing area for US exports. If this trend continues, Latin America and the Caribbean will exceed the European Union as a market by 2000 and exceed Japan and the EU combined by 2010. The President is committed to moving forward toward a Free Trade Area of the Americas by 2005. Negotiating a free trade agreement with Chile is the next critical step in this process.

- Africa: Working with Congress, the President recently launched an African trade initiative to foster stronger economic prosperity in Africa and create new markets to American products. Africa's nations are joining the march toward freedom and open markets--Sub-Saharan Africa alone has 700 million potential consumers. Yet the United States currently supplies only 7% of Africa's imports.

AMERICAN LEADERSHIP IN THE WORLD

- Half a century of determined American leadership has led to a 90-fold increase in global trade and helped bring down global barriers to America's products--falling from an average 40% at the end of World War II to about 5% today. Our leadership of the global economy has served America's interest—and the world's.

- As the sole remaining superpower, the United States has a fundamental national interest in contributing to stability and security around the world. A more prosperous world will be a more peaceful world—a world more hospitable to American interests and ideals. By opening markets, fast track authority will contribute to global as well as American prosperity—it will reinforce the common interest that diverse countries and regions share in sustaining that prosperity.

- America's failure to participate in shaping the global trading system will allow our competitors to negotiate preferential trade arrangements, form strategic relationships excluding the United States, and create new exclusive trade alliances. The United States cannot abdicate its global leadership to the detriment of the American economy.

- This debate must not be about the past but about the opportunities for the future. Fast track authority will allow the President to knock down trade barriers and negotiate a broad array of trade agreements--from sectoral agreements on medical equipment and telecommunications to regional agreements in Asia, Africa and Latin American to eliminating global barriers in the

WTO. The debate over fast track is about embracing the opportunities of the global economy to create jobs, expand exports, and maintain America's standard of living.

- Opening foreign markets does not mean retreating from our commitment to labor and the environment. The President is committed to promoting worker rights and ensuring that economic growth does not come at the expense of a clean and healthy environment. Walking away from the world's markets will not improve worker rights or protect the environment—but through dialogue and engagement these issues can be addressed.

THE PRICE OF INACTION

- Other countries are breaking down trade barriers and moving forward in creating competitive trading relationships to the disadvantage of US companies and workers. It is in the national interest of the American people to stay engaged in the global economy.

- Since 1992, in Latin America and Asia alone, our competitors have negotiated 20 free trade agreements that exclude the United States.

- Today every major economy in this hemisphere has a preferential trade deal with Chile except the United States. This gives our competitors an 11% across-the-board tariff advantage for their products, which means American companies must sell to Chile with an immediate 11% cost disadvantage.

- For example, Canada's Northern Telecom recently won a $180 million telecommunications contract in Chile over three US companies in part to avoid paying $20 million worth of tariffs.

- Similarly, US corn producers are at a competitive disadvantage in Chile compared to Argentinean corn producers because of a preferential agreement which gives Argentina a 3.3% tariff preference which will soon increase to 11%.

- MERCOSUR (Argentina, Brazil, Paraguay, Uruguay) wants to expand its agreements to include all of South America a move which would disadvantage American businesses.

- China has targeted Mexico, Argentina, Brazil, Chile and Venezuela as "strategic priorities" to expand bilateral trade in Latin America

- The EU has begun a process to reach a free trade agreement with Brazil, Argentina and other MERCOSUR countries. President Chirac recently declared "Latin America's essential economic interests...lie not with the United States but with Europe."

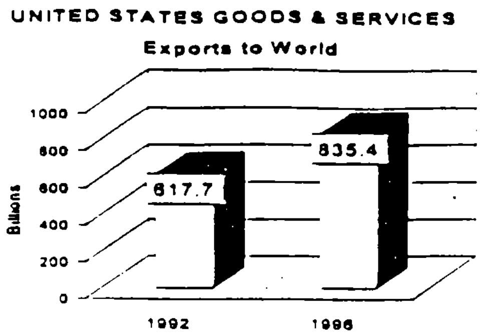
1996 STATE EXPORT DATA

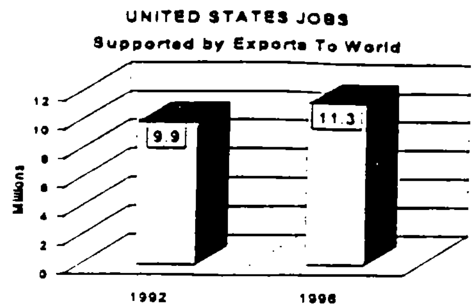
Prepared by the Office of U.S. Trade Representative

Sources: Massachusetts Institute of Social and Economic Research,
U.S. Department of Commerce, U.S. Department of Agriculture,
and U.S. Trade Representative

May 1, 1997

UNITED STATES EXPORTS





- The United States is the world's largest exporting country, recording goods and services exports totalling $835.7 billion in 1996, up 35 percent ($218 billion) from 1992. U.S. goods exports totaled $611.7 billion in 1996, up 39 percent ($171.5 billion) from 1992.

- Over 11.3 million U.S. jobs were supported by goods and services exports during 1996. U.S. jobs supported by goods and services exports grew an estimated 15 percent (1.5 million jobs) since 1992. Over 7.6 million U.S. jobs were supported by goods exports, up an estimated 16 percent (1.1 million jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, U.S. exports accounted for 19.4 percent of its manufacturing output and represented 18.6 percent of its total manufacturing employment.

- U.S. exports of manufactured products were up by 42 percent between 1992 and 1996 (from $368.2 billion in 1992 to $522.7 billion in 1996). U.S. exports of high technology products, a subcategory of manufactured products, increased by 45 percent between 1992 and 1996 (from $107.1 billion in 1992 to $154.9 billion in 1996).

- The five largest manufacturing sectors in terms of U.S. exports were: Industrial Machinery and Computers ($112.0 billion of exports in 1996), Transportation Equipment ($96.6 billion), Electronic and Electric Equipment ($94.9 billion), Chemical Products ($59.6 billion), and Scientific and Measuring Instruments ($34.8 billion). These five sectors accounted for over 65 percent of the United States' total exports in 1996.

- Among the United States' fastest growing manufactured exports (in billions) were:

Sector	1992	1996	Change %
Electronic and Electric Equipment	$52.9	$94.9	79%
Industrial Machinery and Computers	74.0	112.0	51
Primary Metal Products	14.6	21.9	50
Scientific and Measuring Products	24.9	34.8	40

- The United States is the world's largest agricultural exporting country, shipping $60.6 billion in agricultural exports abroad. The largest export categories, feed grains, soybeans, and wheat, accounted for 40 percent of the United States' agricultural exports in 1996.

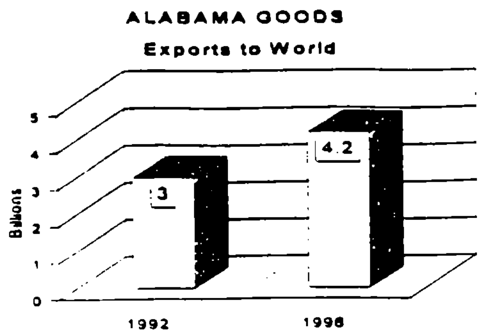
- Total exports to NAFTA countries increased by 34 percent between 1993 (pre-NAFTA) and 1996 (from $142.0 billion in 1993 to $190.4 billion in 1996). During 1996, Canada was the United States's largest export market, while Mexico was the United States's third largest export market. Exports to Canada were up by 33 percent ($33.2 billion), from $100.4 billion in 1993 to $133.7 billion in 1996. U.S. exports to Mexico were up by 37 percent ($15.2 billion), from $41.6 billion in 1993 to $56.8 billion in 1996.

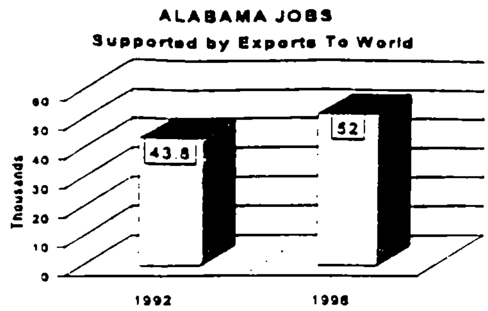
- During 1996, Japan was the United State's second largest export market. Total exports from the United States to Japan were up 41 percent ($19.7 billion), from $47.8 billion in 1992 to $67.5 billion in 1996.

- Total exports from the United States to the European Union were up 18 percent ($19.8 billion), from $107.7 billion in 1992 to $127.5 billion in 1996.

Sources: U.S. Commerce Dept., and the U.S. Agriculture Dept.

ALABAMA STATE EXPORTS





- Alabama recorded goods exports totaling $4.2 billion in 1996, up 42 percent ($1.3 billlion) from 1993. During 1996, Alabama was the 29th largest state exporter of goods in the United States.

- Over 52,000 Alabama jobs were supported by goods exports during 1996. Alabama's jobs supported by goods exports grew an estimated 19 percent (8,199 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Alabama's exports accounted for 19.1 percent of its manufacturing output and represented 15.6 percent of its total manufacturing employment.

- Alabama's exports of manufactured products were up by 66 percent between 1993 and 1996 (from $2.3 billion in 1993 to $3.9 billion in 1996).

- The five largest manufacturing sectors in terms of Alabama's exports were: Electronic and Electric Equipment ($852.3 million of exports in 1996), Transportation Equipment ($579.7 million), Industrial Machinery and Computers ($488.4 million), Paper Products ($460.7 million), and Chemical Products ($356.8 million). These five sectors accounted for 65 percent of the state's total exports in 1996.

- Among Alabama's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Transportation Equipment	$250.2	$579.7	132%
Electronic and Electric Equipment	419.1	852.3	103
Paper Products	270.7	460.7	70
Industrial Machinery and Computers	383.5	488.4	27

- Alabama is the country's 29th largest agricultural exporting state, shipping $503 million in agricultural exports abroad in FY 1996. The two largest export categories, poultry and cotton and linters, accounted for 75 percent of Alabama's agricultural exports in FY 1996.

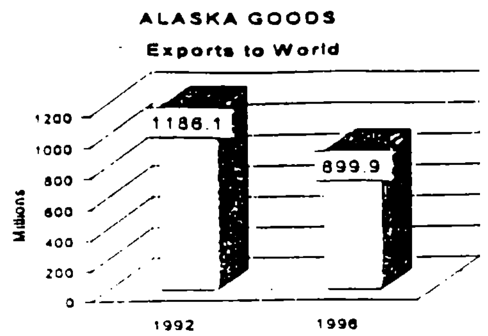
- Total exports from Alabama to NAFTA countries increased by 91 percent between 1993 (pre-NAFTA) and 1996 (from $910.8 million in 1993 to $1.7 billion in 1996). During 1996, Canada was Alabama's largest export market, while Mexico was Alabama's third largest export market. Exports to Canada were up by 98 percent ($689 million) from $705.9 million in 1993 to $1.4 billion in 1996. Alabama's exports to Mexico were up by 69 percent ($141 million), from $204.8 million in 1993 to $345.7 million in 1996.

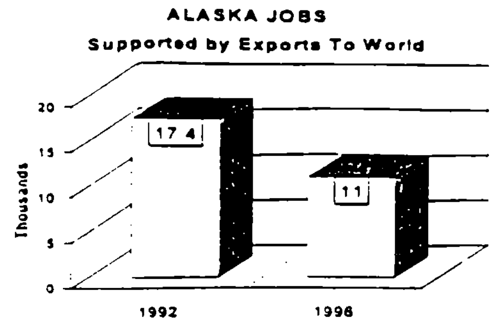
- During 1996, Japan was Alabama's second largest export market. Total exports from Alabama to Japan were up 16 percent ($54.2 million), from $346.4 million in 1993 to $400.6 million in 1996.

- Total exports from Alabama to the European Union were up 32 percent ($211.4 million), from $657.3 million in 1993 to $868.7 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

ALASKA STATE EXPORTS





- Alaska recorded goods exports totaling $899.9 million in 1996, down 24 percent ($286.2 million) from 1992. During 1996, Alaska was the 44th largest state exporter of goods in the U.S.

- Over 11,000 Alaskan jobs were supported by exports during 1996. Alaska's jobs supported by goods exports declined an estimated 37 percent (6,367 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Alaska's exports accounted for 49.7 percent of its manufacturing output and represented 49.3 percent of its total manufacturing employment.

- Alaska's exports of manufactured products were down by 11 percent between 1993 and 1996 (from $415.8 million in 1993 to $371.8 million in 1996).

- The five largest manufacturing sectors in terms of Alaska's exports were: Paper Products ($85.0 million of exports in 1996), Petroleum and Coal Products ($63.3 million), Food Products ($49.5 million), Lumber and Wood Products ($48.4 million), and Transportation Equipment ($32.7 million). These five sectors accounted for 31 percent of the state's total exports in 1996.

- Among Alaska's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Electronic and Electric Equipment	$7.0	$20.8	195%
Food Products	20.3	49.5	144
Industrial Machinery and Computers	16.8	30.6	81
Petroleum and Coal Products	35.4	63.3	79

- Alaska is the country's smallest agricultural exporting state, shipping approximately $400 thousand in agricultural exports abroad in FY 1996.

- Total exports from Alaska to NAFTA countries increased by 84 percent between 1993 (pre-NAFTA) and 1996 (from $107.2 million in 1993 to $196.7 million in 1996). During 1996, Canada was Alaska's second largest export market, while Mexico was Alaska's 20th largest export market. Exports to Canada were up by 83 percent ($88.6 million), from $106.5 million in 1993 to $195.1 million in 1996. Alaska's exports to Mexico were up by 117 percent ($875 thousand), from $0.7 million in 1993 to $1.6 million in 1996.

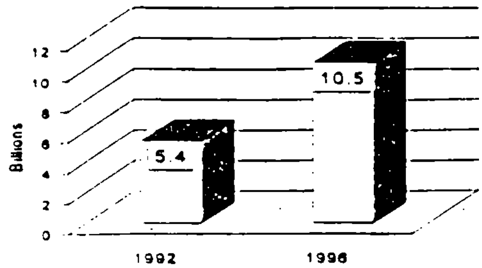
- During 1996, Japan was Alaska's largest export market. Total exports from Alaska to Japan were, however, down 40 percent ($194 million), to $287.8 million in 1996.

- Total exports from Alaska to the European Union were up 44 percent ($42.4 million), from $95.6 million in 1993 to $138.0 million in 1996.

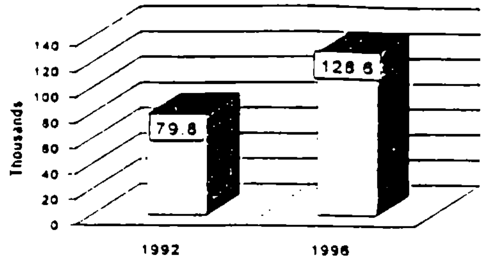
Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

ARIZONA STATE EXPORTS

ARIZONA GOODS
Exports to World



ARIZONA JOBS
Supported by Exports To World



- Arizona recorded goods exports totaling $10.5 billion in 1996, up 93 percent ($5.0 billion) from 1992. During 1996, Arizona was the 18th largest state exporter of goods in the United States.

- Arizona's jobs supported by goods exports grew an estimated 61 percent (48,720 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Arizona's exports accounted for 23.0 percent of its manufacturing output and represented 20.8 percent of its total manufacturing employment.

- Arizona's exports of manufactured products were up by 72 percent between 1993 and 1996 (from $5.8 billion in 1993 to $10.1 billion in 1996).

- The five largest manufacturing sectors in terms of Arizona's exports were: Electronic and Electric Equipment ($5.6 billion of exports in 1996), Industrial Machinery and Computers ($1.2 billion), Transportation Equipment ($1.0 billion), Scientific and Measuring Instruments ($584.8 million), and Primary Metals ($468.7 million). These five sectors accounted for 85 percent of the state's total exports in 1996.

- Among Arizona's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Electronic and Electric Equipment	$2,940.7	$5,612.2	91%
Transportation Equipment	620.5	1,041.9	68
Primary Metals	283.2	468.7	66
Scientific and Measuring Instruments	394.6	584.8	48

- Arizona is the country's 32nd largest agricultural exporting state, shipping $426 million in agricultural exports abroad in FY 1996. The two largest export categories, cotton and linters and vegetables, accounted for over half of Arizona's agricultural exports in FY 1996.

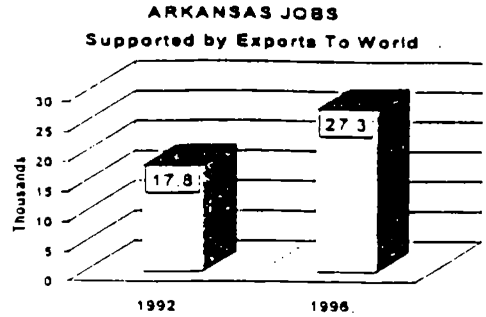
- Total exports from Arizona to NAFTA countries increased by 52 percent between 1993 (pre-NAFTA) and 1996 (from $1.8 billion in 1993 to $2.8 billion in 1996). During 1996, Mexico was Arizona's largest export market, while Canada was Arizona's third largest export market. Exports to Mexico were up by 49 percent ($555 million), from $1.1 billion in 1993 to $1.7 billion in 1996. Arizona's exports to Canada were up by 57 percent ($401 million), from $699.9 million in 1993 to $1.1 billion in 1996.

- During 1996, Japan was Arizona's second largest export market. Total exports from Arizona to Japan were up 104 percent ($719 million), from $692 million in 1993 to $1.4 billion in 1996.

- Total exports from Arizona to the European Union increased 54 percent ($891 million), from $1.7 billion in 1993 to $2.5 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

ARKANSAS STATE EXPORTS



- Arkansas recorded goods exports totaling over $2.2 billion in 1996, up 84 percent ($1.0 billion) from 1992. During 1996, Arkansas was the 36th largest state exporter of goods in the United States.

- Arkansas' jobs supported by goods exports grew an estimated 54 percent (9,513 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Arkansas' exports accounted for 16.0 percent of its manufacturing output and represented 14.7 percent of its total manufacturing employment.

- Arkansas' exports of manufactured products were up by 82 percent between 1993 and 1996 (from $1.2 billion in 1993 to $2.1 billion in 1996).

- The five largest manufacturing sectors in terms of Arkansas' exports were: Food Products ($952.3 million of exports in 1996), Chemical Products ($237.1 million), Electronic and Electric Equipment ($176.6), Industrial Machinery and Computers ($174.1 million), and Transportation Equipment ($150.6 million). These five sectors accounted for 76 percent of the state's total exports in 1996.

- Among Arkansas' fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Food Products	$320.8	$952.3	197%
Electronic and Electric Equipment	111.9	176.6	58
Chemical Products	190.4	237.1	25
Industrial Machinery and Computers	142.3	174.1	22

- Arkansas is the country's 11th largest agricultural exporting state, shipping $1.7 billion in agricultural exports abroad or 3% of the U.S. total in FY 1996. The four largest export categories, Rice, Poultry, Soybeans, and Cotton and Linters, accounted for over 80 percent of Arkansas' agricultural exports in FY 1996.

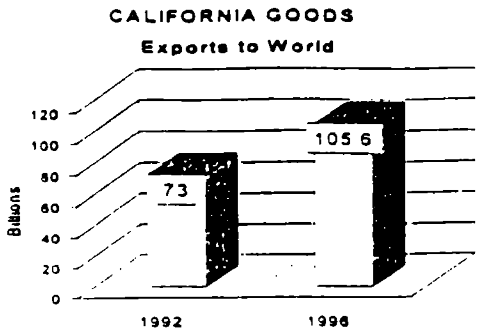
- Total exports from Arkansas to NAFTA countries increased by 35 percent between 1993 (pre-NAFTA) and 1996 (from $582.9 million in 1993 to $784.6 million in 1996). During 1996, Canada was Arkansas' largest export market, while Mexico was Arkansas' fifth largest export market. Exports to Canada were up by 33 percent ($165 million), from $507.2 million in 1993 to $672.2 million in 1996. Arkansas' exports to Mexico were up by 49 percent ($37 million), from $75.7 million in 1993 to $112.4 million in 1996.

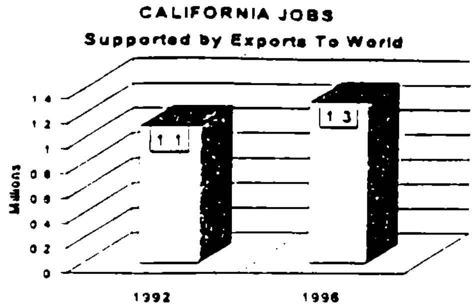
- During 1996, Japan was Arkansas' third largest export market. Total exports from Arkansas to Japan were up 14 percent ($15 million), from $114.7 million in 1993 to $130.2 million in 1996.

- Total exports from Arkansas to the European Union were up 48 percent ($91.5 million), from $190.9 million in 1993 to $282.4 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

CALIFORNIA STATE EXPORTS





- California is the country's largest exporting state, recording goods exports totaling $105.6 billion in 1996, up 45 percent ($32.6 billion) from 1992.

- Nearly 1.3 million California jobs were supported by goods exports during 1996. California's jobs supported by goods exports grew an estimated 21 percent (224,405 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, California's exports accounted for 21.3 percent of its manufacturing output and represented 20.5 percent of its total manufacturing employment.

- California's exports of manufactured products were up by 48 percent between 1993 and 1996 (from $67.1 billion in 1993 to $99.4 billion in 1996).

- The five largest manufacturing sectors in terms of California's exports were: Electronic and Electric Equipment ($28.6 billion of exports in 1996), Industrial Machinery and Computers ($27.3 billion), Transportation Equipment ($12.0 billion), Scientific and Measuring Instruments ($8.0 billion), and Food Products ($5.6 billion). These five sectors accounted for over 77 percent of the state's total exports in 1996.

- Among California's fastest growing manufactured exports (~~in billions~~) were:

Sector	1993	1996	Change %
Electronic and Electric Equipment	$16.2	$28.6	76%
Industrial Machinery and Computers	17.0	27.3	60
Scientific and Measuring Instruments	5.1	8.0	56
Chemical Products	2.5	3.5	40

- California is the country's largest agricultural exporting state, shipping $7.3 billion in agricultural exports abroad or 12% of the U.S. total in FY 1996. The largest export categories, vegetables, fruit, and tree nuts, accounted for over 63 percent of California's agricultural exports in FY 1996.

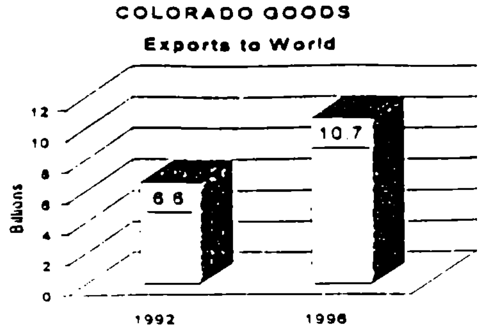
- Total exports from California to NAFTA countries increased by 52 percent between 1993 (pre-NAFTA) and 1996 (from $13.3 billion in 1993 to $20.2 billion in 1996). During 1996, Canada was California's second largest export market, while Mexico was California's third largest export market. Exports to Canada were up by 49 percent ($3.7 billion), from $7.6 billion in 1993 to $11.3 billion in 1996. California's exports to Mexico were up by 55 percent ($3.2 billion), from $5.7 billion in 1993 to $8.9 billion in 1996.

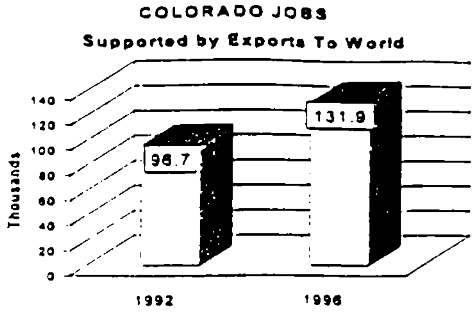
- During 1996, Japan was California's largest export market. Total exports from California to Japan were up 72 percent ($8.6 billion), from $11.9 billion in 1993 to $20.5 billion in 1996.

- Total exports from California to the European Union were up 27 percent ($4.2 billion), from $15.8 billion in 1993 to $20.0 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U S Commerce Dept., and the U S Agriculture Dept.

COLORADO STATE EXPORTS





- Colorado recorded goods exports totaling $10.7 billion in 1996, up 63 percent ($4.2 billion) from 1992. During 1996, Colorado was the 17th largest state exporter of goods.

- Colorado's jobs supported by goods exports grew an estimated 37 percent (35,287 jobs) since 1993. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Colorado's exports accounted for 16.9 percent of its manufacturing output and represented 18.2 percent of its total manufacturing employment.

- Colorado's exports of manufactured products were up by 61 percent between 1993 and 1996 (from $6.5 billion in 1993 to $10.5 billion in 1996).

- The five largest manufacturing sectors in terms of Colorado's exports were: Industrial Machinery and Computers ($6.0 billion of exports in 1996), Electronic and Electric Equipment ($2.1 billion), Scientific and Measuring Instruments ($742.0 million), Food Products ($636.6 million), and Metal Products ($195.7 million). These five sectors accounted for 90 percent of the state's total exports in 1996.

- Among Colorado's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Fabricated Metal Products	$71.6	$195.7	173%
Food Products	290.8	636.6	119
Electronic and Electric Equipment	1,257.8	2,112.9	68
Industrial Machinery and Computers	3,661.0	5,975.4	63

- Colorado is the country's 20th largest agricultural exporting state, shipping $1.1 billion in agricultural exports abroad or 1.8% of the U.S. total in FY 1996. The largest export categories, Live Animals and Meat (excluding poultry), Wheat, Feed Grains and Hides & Skins, accounted for 79 percent of Colorado's agricultural exports in FY 1996.

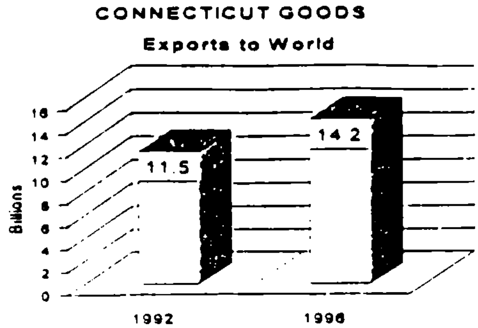
- Total exports from Colorado to NAFTA countries increased by 21 percent between 1993 (pre-NAFTA) and 1996 (from $1.4 billion in 1993 to $1.7 billion in 1996). During 1996, Mexico was Colorado's second largest export market, while Canada was Colorado's fifth largest export market. Exports to Mexico were up by 57 percent ($369 million), from $646.9 million in 1993 to $1.0 billion in 1996. Colorado's exports to Canada were down by 10 percent ($74 million), to $680.9 million in 1996.

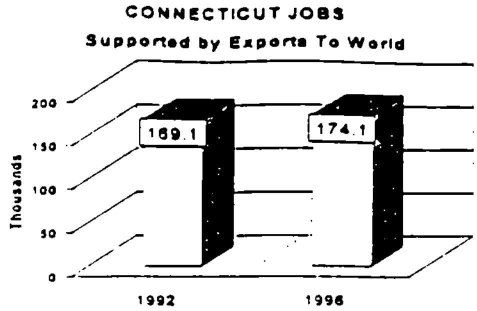
- During 1996, Japan was Colorado's largest export market. Total exports from Colorado to Japan were up nearly 54 percent ($573 million), from $1.1 billion in 1993 to $1.6 billion in 1996.

- Total exports from Colorado to the European Union were up 64 percent ($1.5 billion), from $2.4 billion in 1993 to $3.9 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

CONNECTICUT STATE EXPORTS





- Connecticut recorded goods exports totaling $14.2 billion in 1996, up 23 percent ($2.7 billion) from 1992. During 1996, Connecticut was the 13th largest state exporter of goods.

- Connecticut's jobs supported by goods exports grew an estimated 3 percent (4,968 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Connecticut's exports accounted for 25.9 percent of its manufacturing output and represented 24.2 percent of its total manufacturing employment.

- Connecticut's exports of manufactured products were up by 24 percent between 1993 and 1996 (from $8.7 billion in 1993 to $10.7 billion in 1996).

- The five largest manufacturing sectors in terms of Connecticut's exports were: Chemical Products ($3.1 billion of exports in 1996), Transportation Equipment ($2.0 billion), Industrial Machinery and Computers ($920.1 million), Electronic and Electric Equipment ($817.5 million), and Paper Products ($695.1 million). These five sectors accounted for over half of the state's total exports in 1996.

- Among Connecticut fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Food Products	$234.6	$444.2	89%
Petroleum and Coal Products	387.2	586.4	51
Chemical Products	2,245.9	3,147.6	40
Paper Products	506.1	695.1	37

- Connecticut is the country's 42nd largest agricultural exporting state, shipping $43 million in agricultural exports abroad in FY 1996.

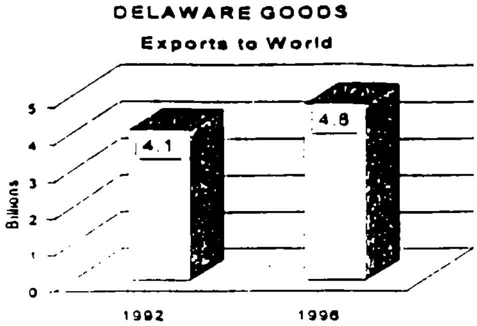
- Total exports from Connecticut to NAFTA countries increased by 18 percent between 1993 (pre-NAFTA) and 1996 (from $2.0 billion in 1993 to $2.4 billion in 1996). During 1996, Canada was Connecticut's largest export market, while Mexico was Connecticut's sixth largest export market. Exports to Canada were up by 10 percent ($174 million) from $1.7 billion in 1993 to $1.8 billion in 1996. Connecticut's exports to Mexico were up by 54 percent ($197 million), from $363.6 million in 1993 to $560.9 million in 1996.

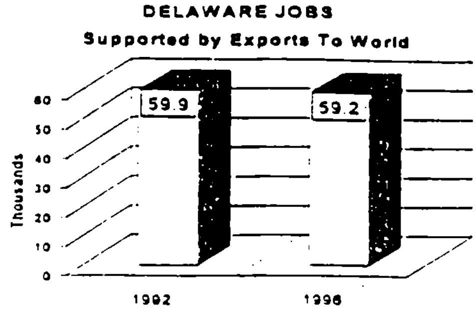
- During 1996, Japan was Connecticut's second largest export market. Total exports from Connecticut to Japan were up 30 percent ($281 million), from 950.8 million in 1993 to $1.2 billion in 1996.

- Total exports from Connecticut to the European Union were up 28 percent ($795 million), from $2.8 billion in 1993 to $3.6 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

DELAWARE STATE EXPORTS





- Delaware recorded goods exports totaling $4.8 billion in 1996, up 18 percent ($745 million) from 1992. During 1996, Delaware was the 28th largest state exporter of goods.

- Delaware's jobs supported by goods exports declined an estimated 1 percent (676 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Delaware's exports accounted for 17.1 percent of its manufacturing output and represented 19.9 percent of its total manufacturing employment.

- Delaware's exports of manufactured products were up by 33 percent between 1993 and 1996 (from $3.6 billion in 1993 to $4.7 billion in 1996).

- The five largest manufacturing sectors in terms of Delaware's exports were: Chemical Products ($3.4 billion of exports in 1996), Rubber and Miscellaneous Plastics ($407.7 million), Scientific and Measuring Instruments ($307.1 million), Textile Mill Products ($133.6 million), and Industrial Machinery and Computers ($80.6 million). These five sectors accounted for 90 percent of the state's total exports in 1996. The Chemical Products sector alone accounted for over 70 percent of Delaware's total exports.

- Among Delaware's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Stone, Clay, and Glass Products	$21.8	$49.5	127%
Paper Products	26.0	58.6	126
Primary Metals	21.3	44.5	109
Chemical Products	2,431.8	3,413.4	40

- Delaware is the country's 38th largest agricultural exporting state, shipping $120 million in agricultural exports abroad in FY 1996. Delaware's largest agriculture export category, poultry, accounted for 77 percent of Delaware's agricultural exports in FY 1996.

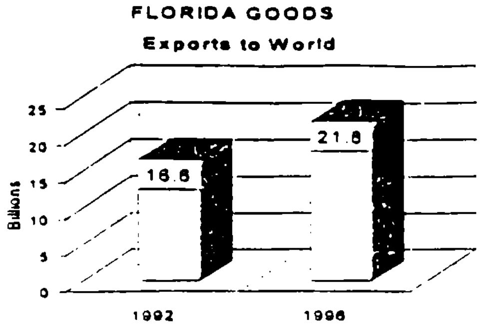
- Total exports from Delaware to NAFTA countries increased by 25 percent between 1993 (pre-NAFTA) and 1996 (from $849.7 million in 1993 to $1.1 billion in 1996). During 1996, Canada was Delaware's largest export market, while Mexico was Delaware's fourth largest export market. Exports to Canada were up by 14 percent ($93 million), from $670.2 million in 1993 to $763.2 million in 1996. Delaware's exports to Mexico were up by 66 percent ($118 million), from $179.5 million in 1993 to $297.1 million in 1996.

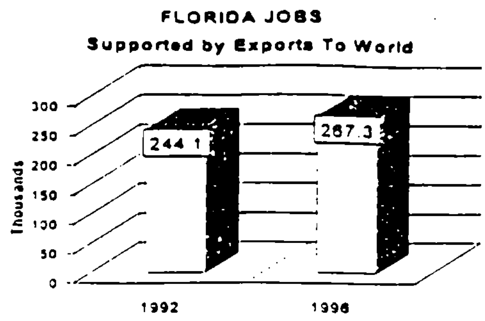
- During 1996, Japan was Delaware's third largest export market. Total exports from Delaware to Japan were up 33 percent ($112 million), from $345.8 million in 1993 to $458.3 million in 1996.

- Total exports from Delaware to the European Union were up 47 percent ($488 million), from 1.0 billion in 1993 to $1.5 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

FLORIDA STATE EXPORTS





- Florida is the country's eighth largest exporting state, recording goods exports totaling $21.8 billion in 1996, up 31 percent ($5.1 billion) from 1992.

- Florida's jobs supported by goods exports grew an estimated 10 percent (23,165 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Florida's exports accounted for 20.0 percent of its manufacturing output and represented 17.9 percent of its total manufacturing employment.

- Florida's exports of manufactured products were up by 35 percent between 1993 and 1996 (from $15.2 billion in 1993 to $20.5 billion in 1996).

- The five largest manufacturing sectors in terms of Florida's exports were: Industrial Machinery and Computers ($5.3 billion of exports in 1996), Electronic and Electric Equipment ($3.6 billion), Transportation Equipment ($2.6 billion), Chemical Products ($2.1 billion), and Scientific and Measuring Instruments ($1.6 billion). These five sectors accounted for nearly 70 percent of the state's total exports in 1996.

- Among Florida's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Industrial Machinery and Computers	$3.2	$5.3	64%
Chemical Products	1.4	2.1	53
Electronic and Electric Equipment	2.4	3.6	49
Scientific and Measuring Instruments	1.2	1.6	37

- Florida is the country's 17th largest agricultural exporting state, shipping $1.2 billion in agricultural exports abroad or 2% of the U.S. total in FY 1996. The largest export category, fruit, accounted for over half of Florida's agricultural exports during FY 1996.

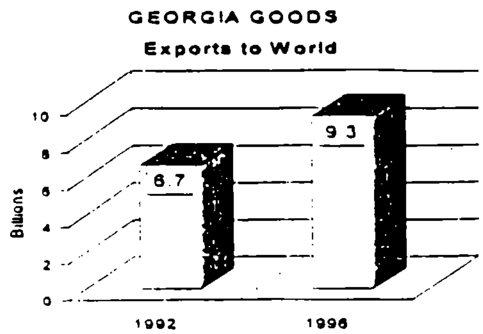
- Total exports from Florida to NAFTA countries decreased by 7 percent between 1993 (pre-NAFTA) and 1996 (from $2.8 billion in 1993 to $2.6 billion in 1996). During 1996, Canada was Florida's second largest export market, while Mexico was Florida's fifth largest export market. Exports to Canada were down by 8 percent ($145.8 million), to $1.8 billion in 1996. Florida's exports to Mexico were down by 4 percent ($38.9 million), to $872.4 million in 1996.

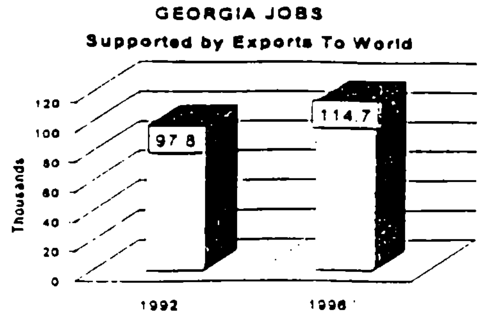
- During 1996, Japan was Florida's 10th largest export market. Total exports from Florida to Japan were up 59 percent ($213 million), from $363.2 million in 1993 to $576.6 million in 1996.

- Total exports from Florida to the European Union were up 48 percent ($1.0 million), from $2.1 billion in 1993 to $3.2 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

GEORGIA STATE EXPORTS





- Georgia recorded goods exports totaling $9.3 billion in 1996, up 40 percent ($2.7 billion) from 1992. During 1996, Georgia was the 20th largest state exporter of goods.

- Georgia's jobs supported by goods exports grew an estimated 17 percent (16,885) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Georgia's exports accounted for 15.7 percent of its manufacturing output and represented 14.8 percent of its total manufacturing employment.

- Georgia's exports of manufactured products were up by 45 percent between 1993 and 1996 (from $6.1 billion in 1993 to $8.8 billion in 1996).

- The five largest manufacturing sectors in terms of Georgia's exports were: Industrial Machinery and Computers ($1.4 billion of exports in 1996), Paper Products ($980.3 million), Electronic and Electric Equipment ($909.7 million), Food Products ($896.0 million), and Chemical Products ($876.9 million). These five sectors accounted for 54 percent of the state's total exports in 1996.

- Among Georgia's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Food Products	$344.9	$896.0	160%
Paper Products	517.9	980.3	89
Chemical Products	500.9	876.9	75
Industrial Machinery and Computers	870.8	1,384.0	59

- Georgia is the country's 16th largest agricultural exporting state, shipping $1.3 billion in agricultural exports abroad or 2% of the U.S. total in FY 1996. The largest export categories, poultry, cotton and linters, and peanuts, accounted for 64 percent of Georgia's agricultural exports in FY 1996.

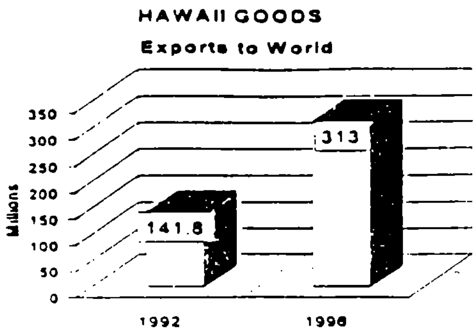
- Total exports from Georgia to NAFTA countries increased by 33 percent between 1993 (pre-NAFTA) and 1996 (from $2.0 billion in 1993 to $2.7 billion in 1996). During 1996, Canada was Georgia's largest export market, while Mexico was Georgia's third largest export market. Exports to Canada were up by 26 percent ($425 million), from $1.7 billion in 1993 to $2.1 billion in 1996. Georgia's exports to Mexico were up by 64 percent ($232 million), from $360.5 million in 1993 to $592.0 million in 1996.

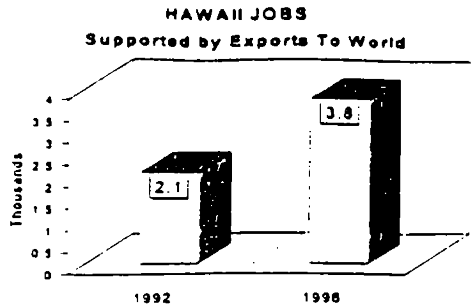
- During 1996, Japan was Georgia's second largest export market. Total exports from Georgia to Japan were up 34 percent ($149 million), from $446.1 million in 1993 to $595.4 million in 1996.

- Total exports from Georgia to the European Union were up 34 percent ($489 million), from $1.4 billion in 1993 to $1.9 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

HAWAII STATE EXPORTS





- Hawaii recorded goods exports totaling $313.0 million in 1996, up 121 percent ($171.2 million) from 1992. During 1996, Hawaii was the second smallest state exporter of goods.

- Hawaii's jobs supported by goods exports grew an estimated 85 percent (1,761 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Hawaii's exports accounted for 16.3 percent of its manufacturing output and represented 14.0 percent of its total manufacturing employment.

- Hawaii's exports of manufactured products were up by 45 percent between 1993 and 1996 (from 181.6 million in 1993 to $262.7 million in 1996).

- The five largest manufacturing sectors in terms of Hawaii's exports were: Petroleum and Coal Products ($71.8 million of exports in 1996), Food Products ($38.5 million), Transportation Equipment ($23.9 million), Scientific and Measuring Instruments ($18.2 million), and Chemical Products ($16.1 million). These five sectors accounted for 54 percent of the state's total exports in 1996.

- Among Hawaii fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Chemical Products	$4.0	$16.1	302%
Petroleum and Coal Products	19 0	71.8	279
Electronic and Electric Equipment	7.0	15 7	125
Scientific and Measuring Industries	8.7	18.2	109

- Hawaii is the country's 39th largest agricultural exporting state, shipping $113 million in agricultural exports abroad in FY 1996. The largest export category, fruits, accounted for over half of Hawaii's agricultural exports in FY 1996.

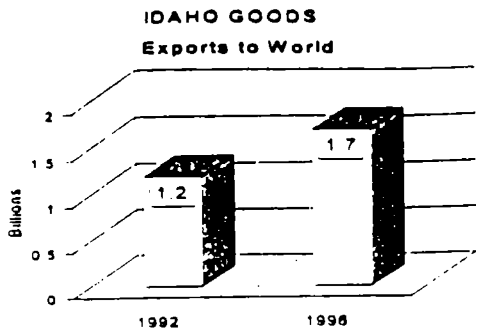
- Total exports from Hawaii to NAFTA countries increased by 306 percent between 1993 (pre-NAFTA) and 1996 (from $19.1 million in 1993 to $77.5 million in 1996). During 1996, Canada was Hawaii's second largest export market, while Mexico was Hawaii's 19th largest export market. Exports to Canada were up by 311 percent ($58 million), from $18.7 million in 1993 to $76.7 million in 1996. Hawaii's exports to Mexico were up by 95 percent ($386 thousand), from $408 thousand in 1993 to $794 thousand in 1996.

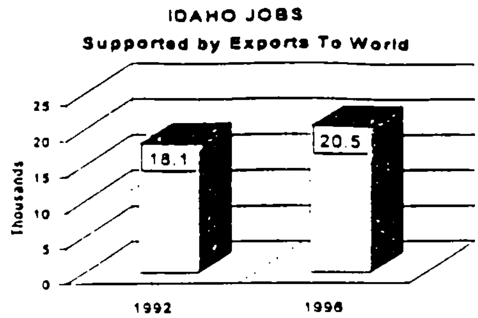
- During 1996, Japan was Hawaii's largest export market. Total exports from Hawaii to Japan were up 67 percent ($67 million), from $99.8 million in 1993 to $166.5 million in 1996.

- Total exports from Hawaii to the European Union were up 12 percent ($1.1 million), from $8.5 million in 1993 to $9.5 million in 1996.

Sources USTR based on data from the Massachusetts Institute of Social and Economic Research, U S Commerce Dept., and the U S. Agriculture Dept

IDAHO STATE EXPORTS





- Idaho recorded goods exports totaling $1.7 billion in 1996, up 35 percent ($436 million) from 1992. During 1996, Idaho was the 38th largest state exporter of goods.

- Idaho's jobs supported by goods exports grew an estimated 13 percent (2,388 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Idaho's exports accounted for 28.8 percent of its manufacturing output and represented 22.0 percent of its total manufacturing employment. .

- Idaho's exports of manufactured products were up by 30 percent between 1993 and 1996 (from $1.2 billion in 1993 to $1.6 billion in 1996).

- The five largest manufacturing sectors in terms of Idaho's exports were: Industrial Machinery and Computers ($647.8 million of exports in 1996), Electronic and Electric Equipment ($445.8 million), Food Products ($234.9 million), Chemical Products ($59.4 million) and Lumber and Wood Products ($50.4 million). These five sectors accounted for over 85 percent of the state's total exports in 1996.

- Among Idaho's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Food Products	$136.3	$234.9	72%
Electronic and Electric Equipment	345.5	445.8	29
Industrial Machinery and Computers	527.0	647.8	23
Chemical Products	50.8	59.4	17

- Idaho is the country's 22nd largest agricultural exporting state, shipping $901 million in agricultural exports abroad in FY 1996. The largest export categories, vegetables and wheat, accounted for 61 percent of Idaho's agricultural exports in FY 1996.

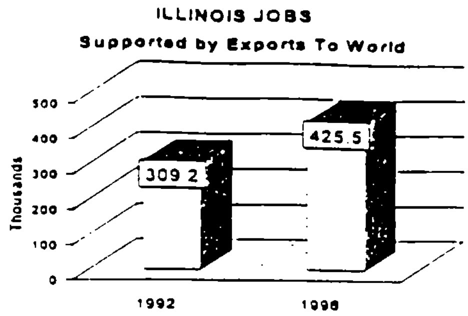
- Total exports from Idaho to NAFTA countries increased by 46 percent between 1993 (pre-NAFTA) and 1996 (from $227.7 million in 1993 to $331.6 million in 1996). During 1996, Canada was Idaho's second largest export market, while Mexico was Idaho's 10th largest export market. Exports to Canada were up by 56 percent ($105 million), from $185.4 million in 1993 to $290.1 million in 1996. Idaho's exports to Mexico were down by 2 percent ($732 million), to $41.6 million in 1996.

- During 1996, Japan was Idaho's largest export market. Total exports from Idaho to Japan were up 8 perc ($25 million), from $293.7 million in 1993 to $318.4 million in 1996.

- Total exports from Idaho to the European Union were up 3 percent ($11 million), from $388.0 million to $399.1 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept. and the U.S. Agriculture Dept.

ILLINOIS STATE EXPORTS



- Illinois recorded goods exports totaling $34.7 billion in 1996, up 65 percent ($13.6 billion) from 1992. During 1996, Illinois was the fifth largest state exporter of goods.

- Illinois' jobs supported by goods exports grew an estimated 38 percent (116,217 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Illinois exports accounted for 18.0 percent of its manufacturing output and represented 18.6 percent of its total manufacturing employment.

- Illinois' exports of manufactured products were up by 53 percent between 1993 and 1996 (from $20.3 billion in 1993 to $31.0 billion in 1996).

- The five largest manufacturing sectors in terms of Illinois' exports were: Industrial Machinery and Computers ($8.9 billion of exports in 1996), Electronic and Electric Equipment ($6.9 billion), Chemical Products ($4.5 billion), Transportation Equipment ($2.5 billion), and Food Products ($1.7 billion). These five sectors accounted for 70 percent of the state's total exports in 1996.

- Among Illinois' fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Electronic and Electric Equipment	$4.0	$6.9	72%
Transportation Equipment	1.7	2.5	50
Industrial Machinery and Computers	6.0	8.9	49
Chemical Products	3.1	4.5	44

- Illinois is the country's third largest agricultural exporting state, shipping nearly $4 billion in agricultural exports abroad or 6.7% of the U.S. total in FY 1996. The largest export categories, feed grains and soybeans, accounted for over 75 percent of Illinois' agricultural exports in FY 1996.

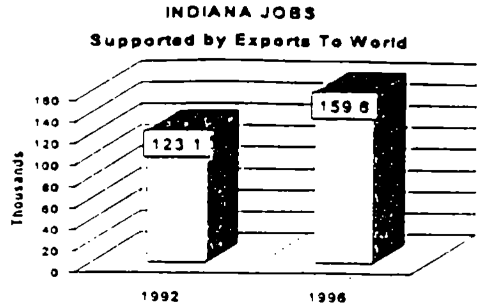
- Total exports from Illinois to NAFTA countries increased by 36 percent between 1993 (pre-NAFTA) and 1996 (from $6.9 billion in 1993 to $9.4 billion in 1996). During 1996, Canada was Illinois' largest export market, while Mexico was Illinois' third largest export market. Exports to Canada were up by 37 percent ($2.0 billion) from $5.3 billion in 1993 to $7.3 billion in 1996. Illinois' exports to Mexico were up by 34 percent ($516 million), from $1.5 billion in 1993 to $2.0 billion in 1996.

- During 1996, Japan was Illinois' second largest export market. Total exports from Illinois to Japan were up 57 percent ($1.1 billion), from $2.0 billion in 1993 to $3.1 billion in 1996.

- Total exports from Illinois to the European Union were up 62 percent ($3.3 billion), from $5.3 billion in 1993 to $8.6 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

INDIANA STATE EXPORTS



- Indiana recorded goods exports totaling $13.0 billion in 1996, up 55 percent ($4.6 billion) from 1992. During 1996, Indiana was the 14th largest state exporter of goods.

- Indiana's jobs supported by goods exports grew an estimated 30 percent (36,451 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Indiana's exports accounted for 18.1 percent of its manufacturing output and represented 17.8 percent of its total manufacturing employment..

- Indiana's exports of manufactured products were up by 30 percent between 1993 and 1996 (from $9.8 billion in 1993 to $12.8 billion in 1996).

- The five largest manufacturing sectors in terms of Indiana's exports were: Electronic and Electric Equipment ($2.7 billion of exports in 1996), Transportation Equipment ($2.7 billion), Chemical Products ($2.1 billion), Industrial Machinery and Computers ($2.0 billion), and Scientific and Measuring Instruments ($0.9 billion). These five sectors accounted for 80 percent of the state's total exports in 1996.

- Among Indiana's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Primary Metal Industries	$0.3	$0.5	102%
Electronic and Electric Equipment	1.7	2.7	64
Chemical Products	1.3	2.1	64
Industrial Machinery and Computers	1.4	2.0	43

- Indiana is the country's eighth largest agricultural exporting state, shipping over $2 billion in agricultural exports abroad or 3.4 percent of the U.S. total in FY 1996. Indiana's largest agriculture export categories, feed grains and soybeans, accounted for over 75 percent of Indiana's agricultural exports in FY 1996.

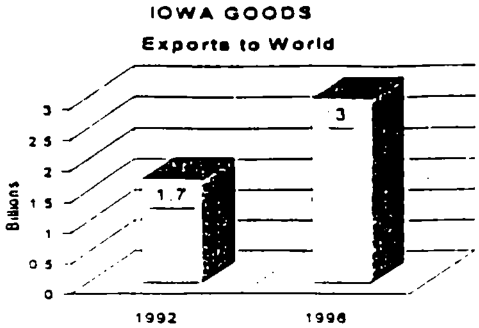
- Total exports from Indiana to NAFTA countries increased by 13 percent between 1993 (pre-NAFTA) and 1996 (from $6.8 billion in 1993 to $7.7 billion in 1996). During 1996, Canada was Indiana's largest export market, while Mexico was Indiana's second largest export market. Exports to Canada were down by 10 percent ($555 million), to $5.0 billion in 1996. Indiana's exports to Mexico were up by 117 percent ($1.5 billion), from $1.2 billion in 1993 to $2.7 billion in 1996.

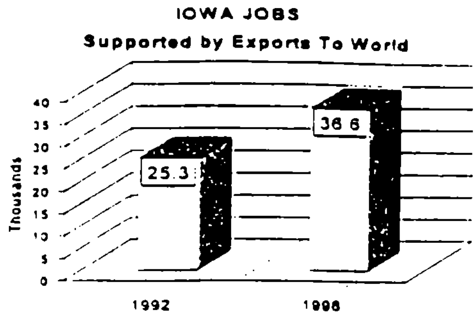
- During 1996, Japan was Indiana's third largest export market. Total exports from Indiana to Japan were up 53 percent ($270 million), from $509.1 million in 1993 to $778.8 million in 1996.

- Total exports from Indiana to the European Union were up 60 percent ($858 million), from 1.4 billion in 1993 to $2.3 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

IOWA STATE EXPORTS





- Iowa recorded goods exports totaling $3.0 billion in 1996, up 73 percent ($1.3 billion) from 1992. During 1996, Iowa was the 32nd largest state exporter of goods.

- Iowa's jobs supported by goods exports grew an estimated 45 percent (11,286 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Iowa's exports accounted for 14.6 percent of its manufacturing output and represented 14.9 percent of its total manufacturing employment.

- Iowa's exports of manufactured products were up by 37 percent between 1993 and 1996 (from $2.0 billion in 1993 to $2.8 billion in 1996).

- The five largest manufacturing sectors in terms of Iowa's exports were: Industrial Machinery and Computers ($787.0 million of exports in 1996), Food Products ($330.9 million), Electronic and Electric Equipment ($312.4 million), Transportation Equipment ($252.6 million), and Scientific and Measuring Instruments ($228.7 million). These five sectors accounted for over 64 percent of the state's total exports in 1996.

- Among Iowa's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Industrial Machinery and Computers	$463.4	$787.0	70%
Food Products	219.6	330.9	51
Chemical Products	114.3	167.4	46
Scientific and Measuring Equipment	161.4	228.7	42

- Iowa is the country's second largest agricultural exporting state, shipping $4.7 billion in agricultural exports abroad or 7.8% of the U.S. total in FY 1996. The largest export categories, feed grains and soybean, accounted for 75 percent of Iowa's agricultural exports in FY 1996.

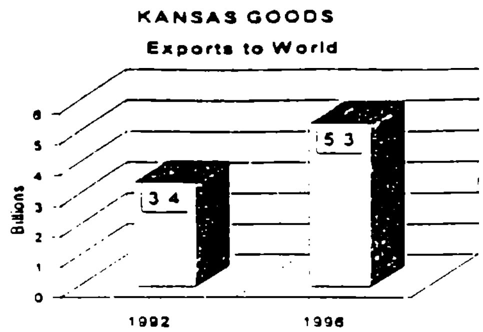
- Total exports from Iowa to NAFTA countries increased by 35 percent between 1993 (pre-NAFTA) and 1996 (from $1.2 billion in 1993 to $1.6 billion in 1996). During 1996, Canada was Iowa's largest export market, while Mexico was Iowa's third largest export market. Exports to Canada were up by 33 percent ($353 million) from $1.1 billion in 1993 to $1.4 billion in 1996. Iowa's exports to Mexico were up by 61 percent ($52 million), from $84.8 million in 1993 to $136.7 million in 1996.

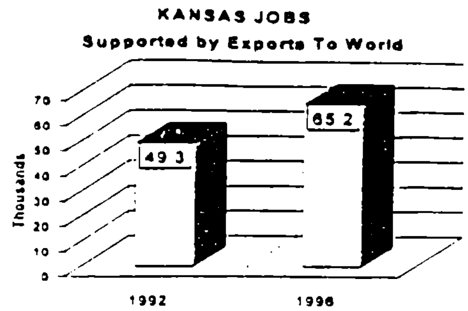
- During 1996, Japan was Iowa's second largest export market. Total exports from Iowa to Japan were up 82 percent ($74 million), from $91.0 million in 1993 to $165.4 million in 1996.

- Total exports from Iowa to the European Union were up 30 percent ($125 million), from $411.7 million in 1993 to $536.8 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

KANSAS STATE EXPORTS





- Kansas recorded goods exports totaling $5.3 billion in 1996, up 58 percent ($2.0 billion) from 1992. During 1996, Kansas was the 25th largest state exporter of goods.

- Kansas' jobs supported by goods exports grew an estimated 32 percent (15,921 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Kansas exports accounted for 14.3 percent of its manufacturing output and represented 15.7 percent of its total manufacturing employment.

- Kansas' exports of manufactured products were up by 47 percent between 1993 and 1996 (from $2.4 billion in 1993 to $3.5 billion in 1996).

- The five largest manufacturing sectors in terms of Kansas' exports were: Transportation Equipment ($1.0 billion of exports in 1996), Food Products ($933.0 million), Industrial Machinery and Computers ($433.2 million), Chemical Products ($269.2 million), and Petroleum Products ($212.7 million). These five sectors accounted for 54 percent of the state's total exports in 1996.

- Among Kansas' fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Chemical Products	$121.1	$269 2	122%
Transportation Equipment	661.7	1,001.5	51
Industrial Machinery and Computers	301.8	433.2	44
Food Products	682.7	933 0	37

- Kansas is the country's sixth largest agricultural exporting state, shipping $3.1 billion in agricultural exports abroad or 5% of the U.S. total in FY 1996. The largest export categories, wheat, live animals and meat (excluding poultry) and feed grains, accounted for 74 percent of Kansas' agricultural exports in FY 1996.

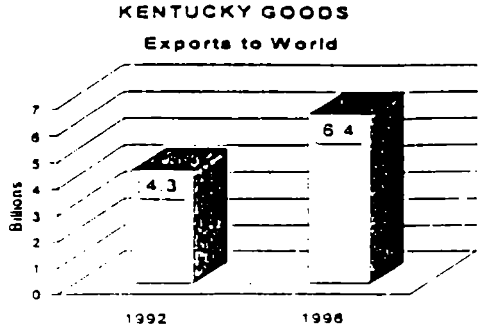
- Total exports from Kansas to NAFTA countries increased by 96 percent between 1993 (pre-NAFTA) and 1996 (from $776.4 million in 1993 to $1.5 billion in 1996). During 1996, Canada was Kansas' second largest export market, while Mexico was Kansas' third largest export market. Exports to Canada were up by 40 percent ($232 million), from $580.0 million in 1993 to $812.0 million in 1996. Kansas' exports to Mexico were up by 262 percent ($514 million), from $196.5 million in 1993 to $711.0 million in 1996.

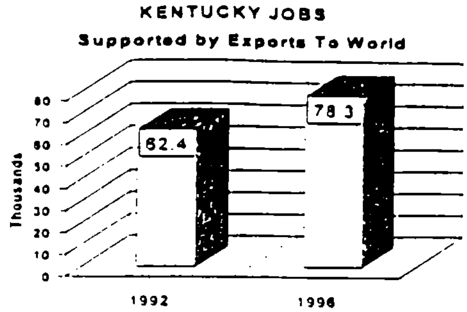
- During 1996, Japan was Kansas' largest export market. Total exports from Kansas to Japan were up 58 percent ($401.0 million), from $696.2 million to $1.1 billion in 1996.

- Total exports from Kansas to the European Union were up 41 percent ($194 million), from $475.4 million in 1993 to $669.4 million in 1996.

Source: USTR based on data from the Massachusetts Institute for Social and Economic Research, U.S. Commerce Dept. and the U.S. Agriculture Dept.

KENTUCKY STATE EXPORTS





- Kentucky recorded goods exports totaling $6.4 billion in 1996, up 50 percent ($2.1 billion) from 1992. During 1996, Kentucky was the 24th largest state exporter of goods.

- Kentucky's jobs supported by goods exports grew an estimated 26 percent (15,908 jobs) since 1993. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Kentucky exports accounted for 17.4 percent of its manufacturing output and represented 16.6 percent of its total manufacturing employment.

- Kentucky's exports of manufactured products were up by 77 percent between 1993 and 1996 (from $3.5 billion in 1993 to $6.1 billion in 1996).

- The five largest manufacturing sectors in terms of Kentucky's exports were: Transportation Equipment ($1.4 billion of exports in 1996), Industrial Machinery and Computers ($1.0 billion), Tobacco Manufactures ($874.9 million), Electronic and Electric Equipment ($576.2 million), and Chemical Products ($346.3 million). These five sectors accounted for 66 percent of the state's total exports in 1996.

- Among Kentucky's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Industrial Machinery and Computers	$371.9	$1,016.4	173%
Transportation Equipment	685.9	1,427.6	108
Chemical Products	73.7	136.0	84
Food Products	203.1	326.8	61

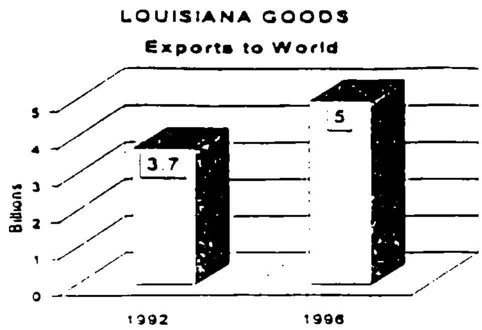
- Kentucky is the country's 21st largest agricultural exporting state, shipping over $1.0 billion in agricultural exports abroad in FY 1996. The largest export categories, tobacco, and live animals and meat (excluding poultry), accounted for nearly half of Kentucky's agricultural exports in FY 1996.

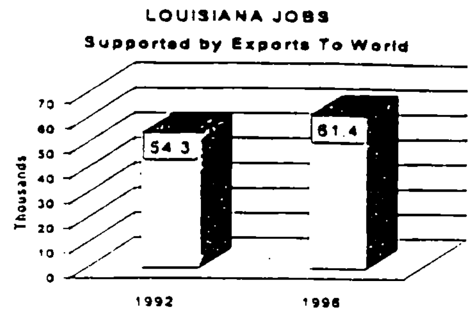
- Total exports from Kentucky to NAFTA countries increased by 67 percent between 1993 (pre-NAFTA) and 1996 (from $1.5 billion in 1993 to $2.6 billion in 1996). During 1996, Canada was Kentucky's largest export market, while Mexico was Kentucky's fourth largest export market. Exports to Canada were up by 71 percent ($0.9 billion) from $1.3 billion in 1993 to $2.3 billion in 1996. Kentucky's exports to Mexico were up by 41 percent ($83 million), from $204.3 million in 1993 to $287.2 million in 1996.

- During 1996, Japan was Kentucky's second largest export market. Total exports from Kentucky to Japan were up 49 percent ($381 million), from $784.7 million in 1993 to $1.2 billion in 1996.

- Total exports from Kentucky to the European Union were up 82 percent ($528 million), from $640.7 million in 1993 to $1.2 billion in 1996.

LOUISIANA STATE EXPORTS





- Louisiana recorded goods exports totaling $5.0 billion in 1996, up 35 percent ($1.3 billion) from 1992. During 1996, Louisiana was the 27th largest state exporter of goods.

- Louisiana's jobs supported by goods exports grew an estimated 13 percent (7,087 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Louisiana's exports accounted for 19.2 percent of its manufacturing output and represented 17.0 percent of its total manufacturing employment.

- Louisiana's exports of manufactured products were up by 20 percent between 1993 and 1996 (from $2.4 billion in 1993 to $2.9 billion in 1996).

- The five largest manufacturing sectors in terms of Louisiana's exports were: Chemical Products ($863.7 million of exports in 1996), Industrial Machinery and Computers ($526.7 million), Food Products ($366.2 million), Petroleum and Coal Products ($184.6) and Paper Products ($147.5 million). These five sectors accounted for 42 percent of the state's total exports in 1996.

- Among Louisiana's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Petroleum and Coal Products	$75.1	$184.6	146%
Electronic and Electric Equipment	107.6	138.3	29
Industrial Machinery and Computers	425.5	526.7	24
Chemical Products	711.5	863.7	21

- Louisiana is the country's 25th largest agricultural exporting state, shipping $689 million in agricultural exports abroad in FY 1996. The largest export categories, cotton and linters, and rice, accounted for 56 percent of Louisiana' agricultural exports in FY 1996.

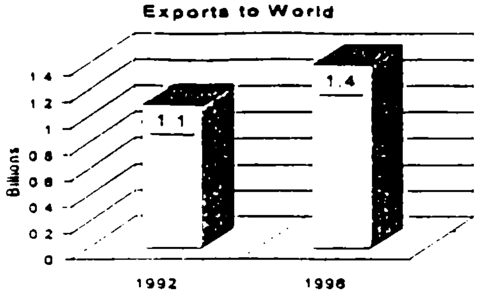
- Total exports from Louisiana to NAFTA countries increased by 45 percent between 1993 (pre-NAFTA) and 1996 (from $516.9 million in 1993 to $751.0 million in 1996). During 1996, Canada was Louisiana's second largest export market, while Mexico was Louisiana's sixth largest export market. Exports to Canada were up by 28 percent ($127 million), from $450.0 million in 1993 to $577.4 million in 1996. Louisiana's exports to Mexico were up by 160 percent ($107 million), from $66.9 million in 1993 to $173.6 million in 1996.

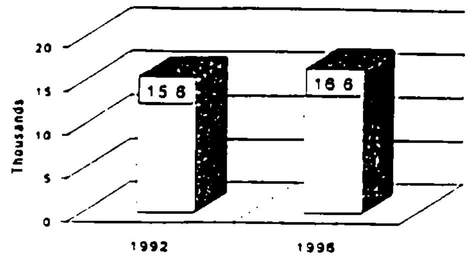
- During 1996, Japan was Louisiana largest export market. Total exports from Louisiana to Japan were up 42 percent ($331 million), from $784.3 million in 1993 to $1.1 billion in 1996.

- Total exports from Louisiana to the European Union were up 52 percent ($348 million), from $669.6 million in 1993 to $1.0 billion in 1996.

Sources: LSTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

MAINE STATE EXPORTS





- Maine recorded goods exports totaling $1.4 billion in 1996, up 28 percent ($295 million) from 1992. During 1996, Maine was the 39th largest state exporter of goods.

- Maine's jobs supported by goods exports grew an estimated 7 percent (1,066 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Maine exports accounted for 20.9 percent of its manufacturing output and represented 18.1 percent of its total manufacturing employment.

- Maine's exports of manufactured products were up by 15 percent between 1993 and 1996 (from 996.7 million in 1993 to $1.1 billion in 1996).

- The five largest manufacturing sectors in terms of Maine's exports were: Paper Products ($278.8 million of exports in 1996), Electronic and Electric Equipment ($266.5 million), Lumber and Wood Products ($124.2 million), Leather Products ($81.2 million), and Industrial Machinery and Computers ($81.0 million). These five sectors accounted for 61 percent of the state's total exports in 1996.

- Among Maine's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Scientific and Measuring Instruments	$14.4	$38.2	165%
Transportation Equipment	34.5	70.9	106
Paper Products	160.2	278.8	74
Industrial Machinery and Computers	63.7	81.0	27

- Maine is the country's 43rd largest agricultural exporting state, shipping $36 million in agricultural exports abroad in FY 1996.

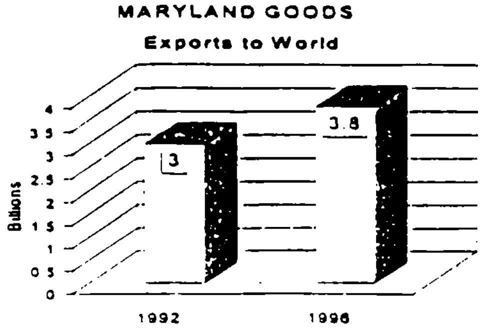
- Total exports from Maine to NAFTA countries increased by 29 percent between 1993 (pre-NAFTA) and 1996 (from $431.9 million in 1993 to $557.1 million in 1996). During 1996, Canada was Maine's largest export market, while Mexico was Maine's 16th largest export market. Exports to Canada were up by 35 percent ($141 million), from $402.4 million in 1993 to $543.9 million in 1996. Maine's exports to Mexico were down by 55 percent ($16 million), to $13.2 million in 1996.

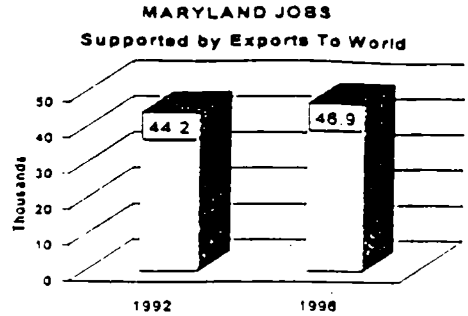
- During 1996, Japan was Maine's second largest export market. Total exports from Maine to Japan were up 46 percent ($32 million), from $70.4 million in 1993 to $102.5 million in 1996.

- Total exports from Maine to the European Union were up 13 percent ($24 million), from 193.8 million in 1993 to $218.2 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

MARYLAND STATE EXPORTS





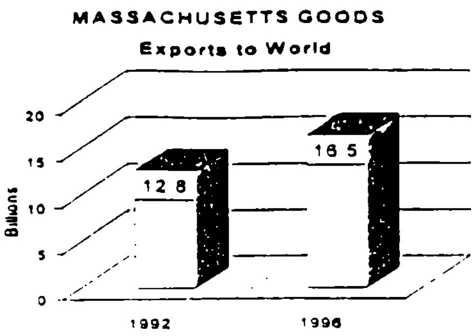
- Maryland recorded goods exports totaling $3.8 billion in 1996, up 27 percent ($0.8 billion) from 1992. During 1996, Maryland was the 30th largest state exporter of goods.
- Maryland's jobs supported by goods exports grew an estimated 6 percent (2,704 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.
- In 1991, the latest year available, Maryland's exports accounted for 16.7 percent of its manufacturing output and represented 15.6 percent of its total manufacturing employment.
- Maryland's exports of manufactured products were up by 29 percent between 1993 and 1996 (from $2.6 billion in 1993 to $3.3 billion in 1996).
- The five largest manufacturing sectors in terms of Maryland's exports were: Industrial Machinery and Computers ($671.3 million of exports in 1996), Electronic and Electric Equipment ($511.9 million), Chemical Products ($421.0 million), Transportation Equipment ($308.1 million), and Scientific and Measuring Instruments ($275.6 million). These five sectors accounted for 57 percent of the state's total exports in 1996.
- Among Maryland's fastest growing manufactured exports (in millions) were:

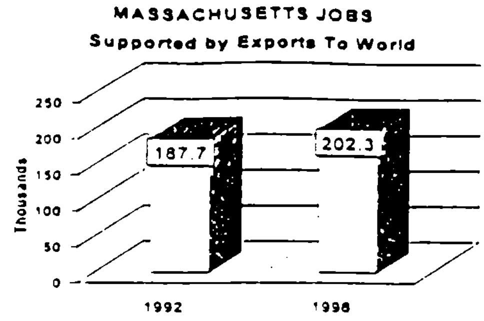
Sector	1993	1996	Change %
Printing and Publishing	$80.6	$147.5	83%
Food Products	138.3	214.5	55
Electronic and Electric Equipment	347.4	511.9	47
Industrial Machinery and Computers	510.2	671.3	32

- Maryland is the country's 35th largest agricultural exporting state, shipping $247 million in agricultural exports abroad in FY 1996. The largest export categories, poultry, feed grains and soybeans, accounted for 80 percent of Maryland's agricultural exports in FY 1996.
- Total exports from Maryland to NAFTA countries decreased by 4 percent between 1993 (pre-NAFTA) and 1996 (from $820.4 million in 1993 to $791.1 million in 1996). During 1996, Canada was Maryland's largest export market, while Mexico was Maryland's fourth largest export market. Exports to Canada were down by 15 percent ($108 million), to $610.1 million in 1996. Maryland's exports to Mexico were up by 78 percent ($79 million), from $101.8 million in 1993 to $180.9 million in 1996.
- During 1996, Japan was Maryland's fifth largest export market. Total exports from Maryland to Japan were up 7 percent ($11 million), from $167.3 million in 1993 to $178.7 million in 1996.
- Total exports from Maryland to the European Union were up 30 percent ($267 million), from $890.0 million in 1993 to $1.2 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

MASSACHUSETTS STATE EXPORTS





- Massachusetts recorded goods exports totaling $16.5 billion in 1996, up 29 percent ($3.7 billion) from 1992. During 1996, Massachusetts was the 11th largest state exporter of goods.

- Over 200 thousand Massachusetts' jobs were supported by goods exports during 1996. Massachusetts' jobs supported by goods exports grew an estimated 8 percent (14,538 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Massachusetts' exports accounted for 23.4 percent of its manufacturing output and represented 22.7 percent of its total manufacturing employment.

- Massachusetts' exports of manufactured products were up by 32 percent between 1993 and 1996 (from $12.1 billion in 1993 to $15.9 billion in 1996).

- The five largest manufacturing sectors in terms of Massachusetts' exports were: Industrial Machinery and Computers ($4.9 billion of exports in 1996), Electronic and Electric Equipment ($3.4 billion), Scientific and Measuring Instruments ($2.6 billion), Chemical Products ($1.1 billion), and Fabricated Metal Products ($0.6 billion). These five sectors accounted for over 75 percent of the state's total exports in 1996.

- Among Massachusetts' fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Chemical Products	$0.6	$1.1	83%
Electronic and Electric Equipment	2.2	3.4	51
Scientific and Measuring Equipment	2.0	2.6	35
Industrial Machinery and Computers	3.9	4.9	26

- Massachusetts is the country's 45th largest agricultural exporting state, shipping $29 million in agricultural exports abroad in FY 1996.

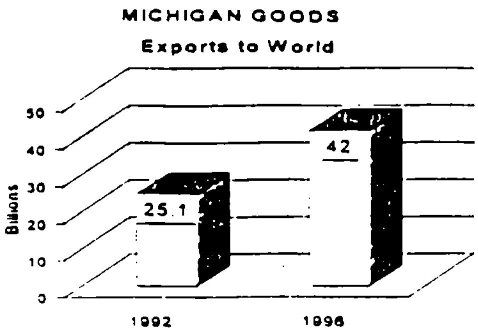
- Total exports from Massachusetts to NAFTA countries increased by 24 percent between 1993 (pre-NAFTA) and 1996 (from $3.4 billion in 1993 to $4.2 billion in 1996). During 1996, Canada was Massachusetts' largest export market, while Mexico was Massachusetts' 12th largest export market. Exports to Canada were up by 26 percent ($782 million), from $3.0 billion in 1993 to $3.8 billion in 1996. Massachusetts' exports to Mexico were up by 5 percent ($20 million), from $393 million in 1993 to $414 million in 1996.

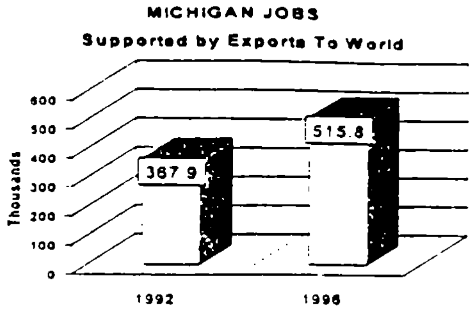
- During 1996, Japan was Massachusetts' second largest export market. Total exports from Massachusetts to Japan were up 60 percent ($654 million), from $1.1 billion in 1993 to $1.8 billion in 1996.

- Total exports from Massachusetts to the European Union were up 24 percent ($1.1 billion), from $4.6 billion in 1993 to $5.7 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

MICHIGAN STATE EXPORTS





- Michigan recorded goods exports totaling $42.0 billion in 1996, up 68 percent ($17.0 billion) from 1992. During 1996, Michigan was the fourth largest state exporter of goods.

- Michigan's jobs supported by goods exports grew an estimated 40 percent (147,883 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Michigan's exports accounted for 19.1 percent of its manufacturing output and represented 20.4 percent of its total manufacturing employment.

- Michigan's exports of manufactured products were up by 41 percent between 1993 and 1996 (from $29.3 billion in 1993 to $41.3 billion in 1996).

- The five largest manufacturing sectors in terms of Michigan's exports were: Transportation Equipment ($26.4 billion of exports in 1996), Industrial Machinery and Computers ($4.6 billion), Electronic and Electric Equipment ($1.9 billion), Chemical Products ($1.8 billion), and Fabricated Metal Products ($1.4 billion). These five sectors accounted for 86 percent of the state's total exports in 1996. The transportation sector alone accounted for nearly 63 percent of the state's total exports in 1996.

- Among Michigan's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Chemical Products	$1.0	$1.8	71%
Scientific and Measuring Instruments	0.5	0.8	60
Transportation Equipment	17.3	26.4	53
Industrial Machinery and Computers	3.0	4.6	51

- Michigan is the country's 18th largest agricultural exporting state, shipping $1.2 billion in agricultural exports abroad or 2 percent of the U.S. total in FY 1996. Michigan's largest agriculture export categories, feed grains, soybeans, vegetables and wheat, accounted for over 70 percent of Michigan's agricultural exports in FY 1996.

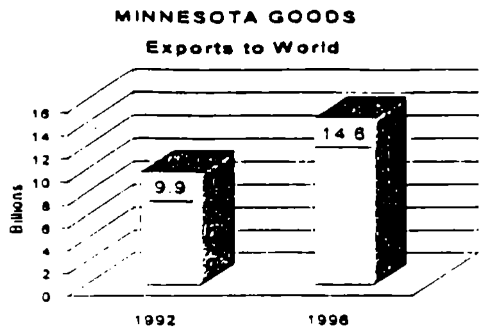
- Total exports from Michigan to NAFTA countries increased by 40 percent between 1993 (pre-NAFTA) and 1996 (from $21.0 billion in 1993 to $29.3 billion in 1996). During 1996, Canada was Michigan's largest export market, while Mexico was Michigan's second largest export market. Exports to Canada were up by 56 percent ($8.5 billion), from $15.2 billion in 1993 to $23.6 billion in 1996. Michigan's exports to Mexico were down by 2 percent ($100 million), from $5.8 billion in 1993 to $5.7 billion in 1996.

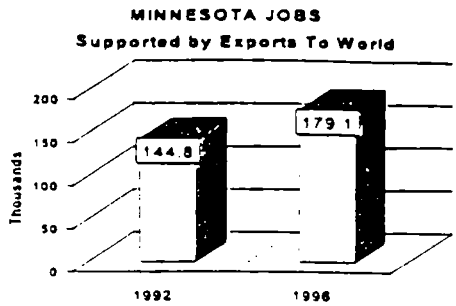
- During 1996, Japan was Michigan's third largest export market. Total exports from Michigan to Japan were up nearly 68 percent ($747 million), from $1.1 billion in 1993 to $1.9 billion in 1996.

- Total exports from Michigan to the European Union were up by 33 percent ($1.1 billion), from $3.3 billion in 1993 to $4.4 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

MINNESOTA STATE EXPORTS





- Minnesota recorded goods exports totaling $14.6 billion in 1996, up 48 percent ($4.7 billion) from 1992. During 1996, Minnesota was the 12th largest state exporter of goods.

- Minnesota's jobs supported by goods exports grew an estimated 24 percent (34,292 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Minnesota exports accounted for 16.4 percent of its manufacturing output and represented 18.0 percent of its total manufacturing employment.

- Minnesota's exports of manufactured products were up by 21 percent between 1993 and 1996 (from $7.8 billion in 1993 to $9.4 billion in 1996).

- The five largest manufacturing sectors in terms of Minnesota's exports were: Industrial Machinery and Computers ($2.4 billion of exports in 1996), Food Products ($1.9 billion), Scientific and Measuring Instruments ($1.5 billion), Electronic and Electric Equipment ($1.2 billion), and Transportation Equipment ($0.8 billion). These five sectors accounted for 53 percent of the state's total exports in 1996.

- Among Minnesota fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Industrial Machinery and Computers	$1.8	$2.4	36%
Scientific and Measuring Instruments	1.1	1.5	34
Electronic and Electric Equipment	0.9	1.2	25
Transportation Equipment	0.6	0.8	23

- Minnesota is the country's seventh largest agricultural exporting state, shipping $3.0 billion in agricultural exports abroad or 5% of the U.S. total in FY 1996. The largest export categories, feed grains, and soybeans, accounted for 63 percent of Minnesota's agricultural exports in FY 1996.

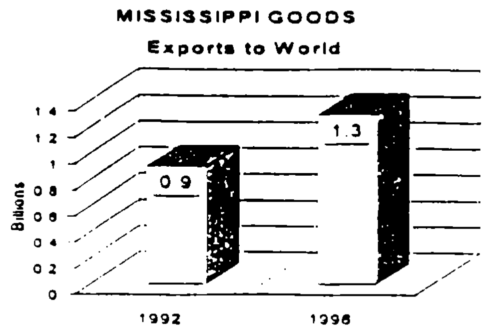
- Total exports from Minnesota to NAFTA countries increased by 51 percent between 1993 (pre-NAFTA) and 1996 (from $2.6 billion in 1993 to $3.9 billion in 1996). During 1996, Canada was Minnesota's largest export market, while Mexico was Minnesota's fourth largest export market. Exports to Canada were up by 29 percent ($684 million), from $2.3 billion in 1993 to $3.0 billion in 1996. Minnesota's exports to Mexico were up by 252 percent ($645 million), from $256.3 million in 1993 to $900.9 million in 1996.

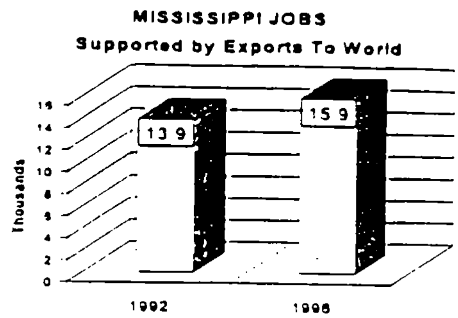
- During 1996, Japan was Minnesota's second largest export market. Total exports from Minnesota to Japan were up 23 percent ($200 million), from $882.4 million in 1993 to $1.1 billion in 1996.

- Total exports from Minnesota to the European Union were up 22 percent ($763 million), from $3.5 billion in 1993 to $4.3 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

MISSISSIPPI STATE EXPORTS





- Mississippi recorded goods exports totaling $1.3 billion in 1996, up 37 percent ($348.5 million) from 1992. During 1996, Mississippi was the 40th largest exporter of goods.

- Mississippi's jobs supported by goods exports grew an estimated 14 percent (1,992 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Mississippi exports accounted for 16.6 percent of its manufacturing output and represented 12.9 percent of its total manufacturing employment.

- Mississippi's exports of manufactured products were up by 39 percent between 1993 and 1996 (from 880.0 million in 1993 to $1.2 billion in 1996).

- The five largest manufacturing sectors in terms of Mississippi's exports were: Electronic and Electric Equipment ($170.4 million of exports in 1996), Food Products ($162.5 million), Industrial Machinery and Computers ($138.7 million), Paper Products ($125.1 million) and Apparel Products ($93.0 million). These five sectors accounted for 53 percent of the state's total exports in 1996.

- Among Mississippi's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Food Products	$50.7	$162.5	220%
Industrial Machinery and Computers	93.3	138.7	49
Electronic and Electric Equipment	127.7	170.4	33
Paper Products	111.5	125.1	12

- Mississippi is the country's 24th largest agricultural exporting state, shipping $815 million in agricultural exports abroad in FY 1996. The largest export categories, cotton and linter, and poultry, accounted for 63 percent of Mississippi's agricultural exports in FY 1996.

- Total exports from Mississippi to NAFTA countries increased by 25 percent between 1993 (pre-NAFTA) and 1996 (from $418.7 million in 1993 to $521.7 million in 1996). During 1996, Canada was Mississippi's largest export market, while Mexico was Mississippi's third largest export market. Exports to Canada were up by 8 percent ($33.1 million), from $391.7 million in 1993 to $424.8 million in 1996. Mississippi's exports to Mexico were up by 259 percent ($69.9 million), from $27.0 million in 1993 to $96.9 million in 1996.

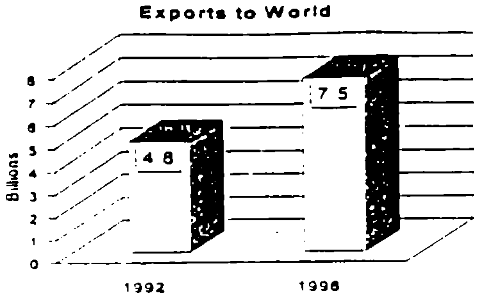
- During 1996, Japan was Mississippi's sixth largest export market. Total exports from Mississippi to Japan were up 36 percent ($10.4 million), from $29.2 million in 1993 to $39.6 million in 1996.

- Total exports from Mississippi to the European Union were up 27 percent ($46.9 million), from $172. in 1993 to $219.0 million in 1996.

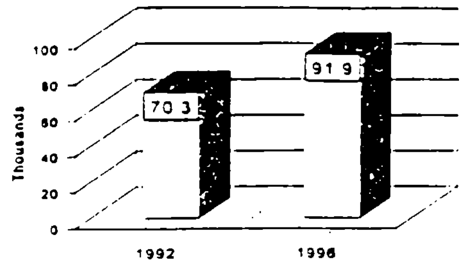
Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept. and the U.S. Agriculture Dept.

MISSOURI STATE EXPORTS

MISSOURI GOODS
Exports to World



MISSOURI JOBS
Supported by Exports To World



- Missouri recorded goods exports totaling $7.5 billion in 1996, up 56 percent ($2.7 billion) from 1992. During 1996, Missouri was the 23rd largest state exporter of goods.

- Missouri's jobs supported by goods exports grew an estimated 31 percent (21,612 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Missouri exports accounted for 15.1 percent of its manufacturing output and represented 15.3 percent of its total manufacturing employment.

- Missouri's exports of manufactured products were up by 38 percent between 1993 and 1996 (from $4.3 billion in 1993 to $6.0 billion in 1996).

- The five largest manufacturing sectors in terms of Missouri's exports were: Chemical Products ($1.7 billion of exports in 1996), Transportation Equipment ($1.1 billion), Industrial Machinery and Computer ($724.8 million), Electronic and Electric Equipment ($608.9 million), and Food Products ($442.4 million). These five sectors accounted for 60 percent of the state's total exports in 1996.

- Among Missouri's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Transportation Equipment	$550.0	$1,052.7	91%
Electronic and Electric Equipment	402.5	608.9	51
Industrial Machinery and Computers	532.1	724 8	36
Chemical Products	1,395.7	1,679 3	20

- Missouri is the country's 15th largest agricultural exporting state, shipping $1.3 billion in agricultural exports abroad or 2.2% of the U.S. total in FY 1996. The largest export categories, soybeans and feed grains, accounted for 57 percent of Missouri's agricultural exports in FY 1996.

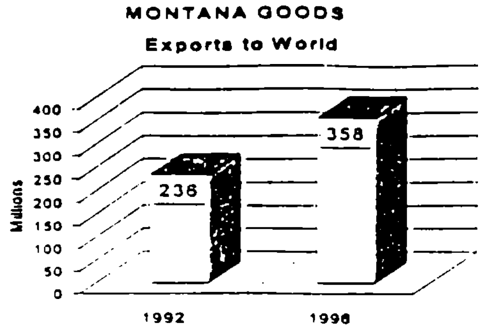
- Total exports from Missouri to NAFTA countries increased by 36 percent between 1993 (pre-NAFTA) and 1996 (from $1.9 billion in 1993 to $2.6 billion in 1996). During 1996, Canada was Missouri's largest export market, while Mexico was Missouri's second largest export market. Exports to Canada were up by 7 percent ($94.9 million), from $1.4 billion in 1993 to $1.5 billion in 1996. Missouri's exports to Mexico were up by 106 percent ($610.8 million), from $576.7 million in 1993 to $1.2 billion in 1996.

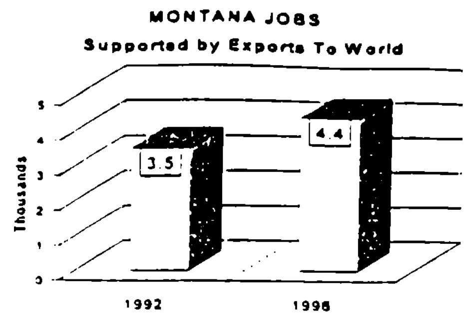
- During 1996, Japan was Missouri's fifth largest export market. Total exports from Missouri to Japan were u 3 percent ($9.2 million), from $276.2 million in 1993 to $285.4 million in 1996.

- Total exports from Missouri to the European Union were up 92 percent ($939 million), from 1.0 billion 1993 to $2.0 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept. and the U.S. Agriculture Dept.

MONTANA STATE EXPORTS





- Montana recorded goods exports totaling $358.0 million in 1996, up 52 percent ($122.0 million) from 1992. During 1996, Montana was the 48th largest state exporter of goods.

- Montana's jobs supported by goods exports grew an estimated 27 percent (929 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Montana exports accounted for 15.1 percent of its manufacturing output and represented 14.1 percent of its total manufacturing employment..

- Montana's exports of manufactured products were up by 37 percent between 1993 and 1996 (from $199.4 million in 1993 to $272.9 million in 1996).

- The five largest manufacturing sectors in terms of Montana's exports were: Primary Metal Industries ($98.5 million of exports in 1996), Industrial Machinery and Computers ($73.3 million), Chemical Products ($17.1 million), Misc. Manufacturing Industries ($14.6 million) and Lumber and Wood Products ($14.2 million). These five sectors accounted for 61 percent of the state's total exports in 1996.

- Among Montana's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Electronic and Electric Equipment	$2.7	$7.5	178%
Scientific and Measuring Instruments	5.5	11.4	107
Primary Metals	49.3	98.5	100
Industrial Machinery and Computers	46.6	73.3	57

- Montana is the country's 23rd largest agricultural exporting state, shipping $850 million in agricultural exports abroad in FY 1996. The largest export category, wheat, accounted for 88 percent of Montana's agricultural exports in FY 1996.

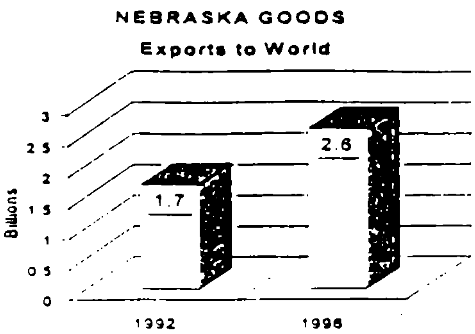
- Total exports from Montana to NAFTA countries increased by 32 percent between 1993 (pre-NAFTA) and 1996 (from $167.7 million in 1993 to $221.0 million in 1996). During 1996, Canada was Montana's largest export market, while Mexico was Montana's second largest export market. Exports to Canada were up by 5 percent ($8.2 million), from $165.9 million in 1993 to $174.1 million in 1996. Montana's exports to Mexico were up over 2,400 percent ($45.1 million), from $1.8 million in 1993 to $46.9 million in 1996.

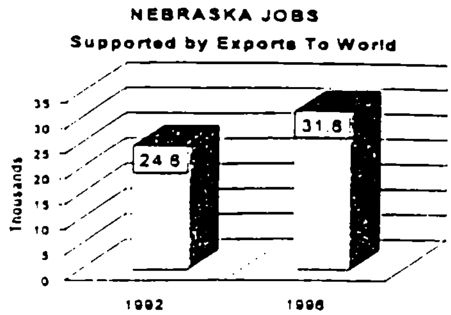
- During 1996, Japan was Montana's fourth largest export market. Total exports from Montana to Japan were up 114 percent ($11.4 million), from $10.0 million in 1993 to $21.4 million in 1996.

- Total exports from Montana the European Union were up 28 percent ($18.3 million), from $65.1 million in 1993 to $83.3 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

NEBRASKA STATE EXPORTS





- Nebraska recorded goods exports totaling $2.6 billion in 1996, up 54 percent ($900.3 million) from 1992. During 1996, Nebraska was the 35th largest state exporter of goods.

- Nebraska's jobs supported by goods exports grew an estimated 29 percent (7,028 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Nebraska exports accounted for 13.1 percent of its manufacturing output and represented 13.7 percent of its total manufacturing employment.

- Nebraska's exports of manufactured products were up by 28 percent between 1993 and 1996 (from $1.8 billion in 1993 to $2.3 billion in 1996).

- The five largest manufacturing sectors in terms of Nebraska's exports were: Food Products ($1.5 billion of exports in 1996), Industrial Machinery and Computers ($206.1 million), Transportation Equipment ($137.0 million), Electronic and Electric Equipment ($135.0 million), and Leather Products ($81.2 million). These five sectors accounted for 79 percent of the state's total exports in 1996.

- Among Nebraska fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Industrial Machinery and Computers	$132.2	$206.1	56%
Electronic and Electric Equipment	91.0	135.0	48
Leather Products	55.8	81.2	46
Food Products	1,144.0	1,478.5	29

- Nebraska is the country's fifth largest agricultural exporting state, shipping $3.5 billion in agricultural exports abroad or 5.9% of the U.S. total in FY 1996. The largest export categories, feed grains and live animals and meat (excluding poultry), accounted for over 60 percent of Nebraska's agricultural exports in FY 1996.

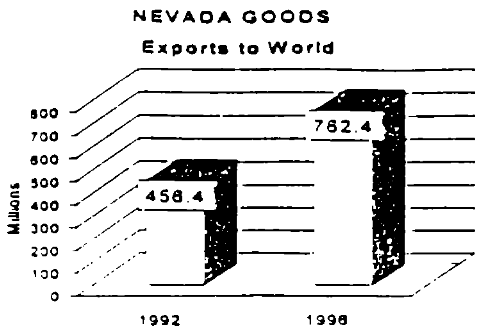
- Total exports from Nebraska to NAFTA countries increased by 42 percent between 1993 (pre-NAFTA) and 1996 (from $449.6 million in 1993 to $640.4 million in 1996). During 1996, Canada was Nebraska's second largest export market, while Mexico was Nebraska's third largest export market. Exports to Canada were up by 21 percent ($80.3 million), from $385.1 million in 1993 to $465.4 million in 1996. Nebraska's exports to Mexico were up by 171 percent ($110.5 million), from $64.5 million in 1993 to $175.0 million in 1996.

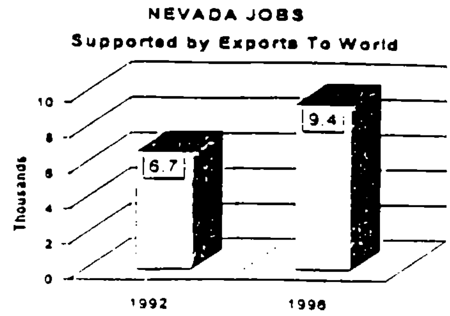
- During 1996, Japan was Nebraska's largest export market. Total exports from Nebraska to Japan were up 21 percent ($192.9 million), from $939.6 million in 1993 to $1.1 billion in 1996.

- Total exports from Nebraska to the European Union were up 18 percent ($38.2 million), from $209.2 million in 1993 to $247.4 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

NEVADA STATE EXPORTS





- Nevada recorded goods exports totaling $762.4 million in 1996, up 67 percent ($306.0 million) from 1992. During 1996, Nevada was the 45th largest state exporter of goods.

- Nevada's jobs supported by goods exports grew an estimated 40 percent (2,685 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Nevada exports accounted for 15.6 percent of its manufacturing output and represented 15.2 percent of its total manufacturing employment.

- Nevada's exports of manufactured products were up by 29 percent between 1993 and 1996 (from $540.6 million in 1993 to $698.3 million in 1996).

- The five largest manufacturing sectors in terms of Nevada's exports were: Miscellaneous Manufacturing Industries ($186.8 million of exports in 1996), Electronic and Electric Equipment ($106.0 million), Industrial Machinery and Computers ($100.1 million), Scientific and Measuring Instruments ($74.6 million) and Transportation Equipment ($63.3 million). These five sectors accounted for nearly 70 percent of the state's total exports in 1996.

- Among Nevada's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Transportation Equipment	$20.1	$63.3	214%
Miscellaneous Manufacturing Industries	71.7	186.8	161
Electronic and Electric Equipment	49.9	106.0	112
Industrial Machinery and Computers	62.4	100.1	60

- Nevada is the country's 46th largest agricultural exporting state, shipping $9.8 million in agricultural exports abroad in FY 1996.

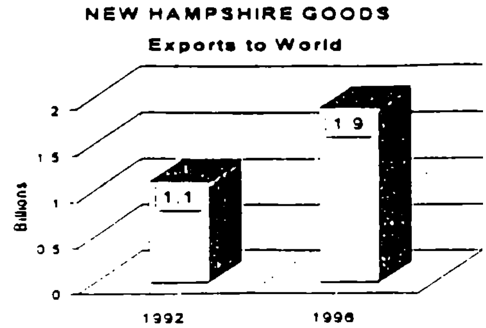
- Total exports from Nevada to NAFTA countries increased by 93 percent between 1993 (pre-NAFTA) and 1996 (from $161.7 million in 1993 to $311.5 million in 1996). During 1996, Canada was Nevada's largest export market, while Mexico was Nevada's 15th largest export market. Exports to Canada were up by 104 percent ($153.9 million), from $148.0 million in 1993 to $301.9 million in 1996. Nevada's exports to Mexico were down by 30 percent ($4.2 million), to $9.6 million in 1996.

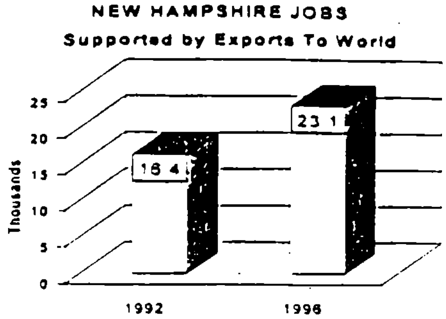
- During 1996, Japan was Nevada's second largest export market. Total exports from Nevada to Japan were up 189 percent ($54.1 million), from $28.6 million in 1993 to $82.7 million in 1996.

- Total exports from Nevada to the European Union were up 62 percent ($46.4 million), from $74.6 million in 1993 to $121.0 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept. and the U.S. Agriculture Dept.

NEW HAMPSHIRE STATE EXPORTS





- New Hampshire recorded goods exports totaling $1.9 billion in 1996, up 68 percent ($766 million) from 1992. During 1996, New Hampshire was the 37th largest state exporter of goods.

- New Hampshire's jobs supported by goods exports grew an estimated 41 percent (6,708 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, New Hampshire exports accounted for 22.1 percent of its manufacturing output and represented 21.2 percent of its total manufacturing employment.

- New Hampshire's exports of manufactured products were up by 48 percent between 1993 and 1996 (from $1.2 billion in 1993 to $1.8 million in 1996).

- The five largest manufacturing sectors in terms of New Hampshire's exports were: Industrial Machinery and Computers ($586.3 million of exports in 1996), Electronic and Electric Equipment ($275.0 million), Leather and Leather Products ($181.1 million), Transportation Equipment ($164.8 million), and Scientific and Measuring Instruments ($142.4 million). These five sectors accounted for over 71 percent of the state's total exports in 1996.

- Among New Hampshire's fastest growing manufactured exports (~~in~~ millions) were:

Sector	1993	1996	Change %
Transportation Equipment	$52.9	$164.8	212%
Leather Products	68.8	181.1	163
Electronic and Electric Equipment	130.7	275.0	111
Scientific and Measuring Instruments	105.9	142.4	34

- New Hampshire is the country's 49th largest agricultural exporting state, shipping $900 thousand in agricultural exports abroad in FY 1996.

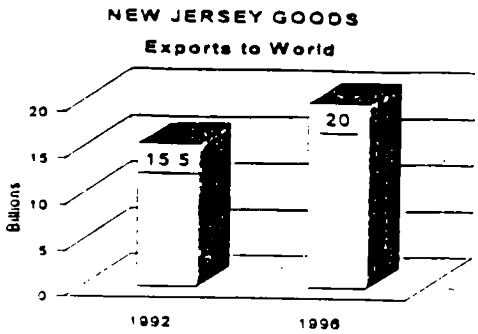
- Total exports from New Hampshire to NAFTA countries increased by 49 percent between 1993 (pre-NAFTA) and 1996 (from $508.2 million in 1993 to $757.3 million in 1996). During 1996, Canada was New Hampshire's largest export market, while Mexico was New Hampshire's 6th largest export market. Exports to Canada were up by 48 percent ($222.2 million) from $467.3 million in 1993 to $689.5 million in 1996. New Hampshire's exports to Mexico were up by 66 percent ($26.9 million), from $40.8 million in 1993 to $67.7 million in 1996.

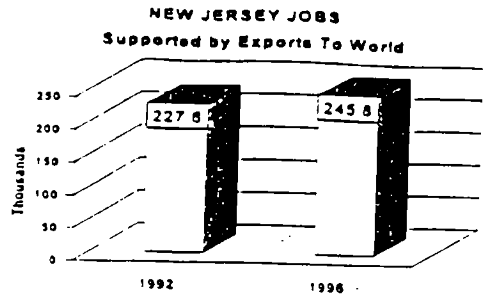
- During 1996, Japan was New Hampshire's fifth largest export market. Total exports from New Hampshi Japan were up 41 percent ($25.0 million), from $60.4 million in 1993 to $85.3 million in 1996.

- Total exports from New Hampshire to the European Union were up 62 percent ($204.1 million), from million in 1993 to $533.8 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

NEW JERSEY STATE EXPORTS





- New Jersey recorded goods exports totaling $20.0 billion in 1996, up 29 percent ($4.5 billion) from 1992. During 1996, New Jersey was the ninth largest state exporter of goods.

- New Jersey's jobs supported by goods exports grew an estimated 8 percent (18,264 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, New Jersey's exports accounted for 15.2 percent of its manufacturing output and represented 17.3 percent of its total manufacturing employment.

- New Jersey's exports of manufactured products were up by 27 percent between 1993 and 1996 (from $14.8 billion in 1993 to $18.8 billion in 1996).

- The five largest manufacturing sectors in terms of New Jersey's exports were: Chemical Products ($5.2 billion of exports in 1996), Electronic and Electric Equipment ($2.8 billion), Industrial Machinery and Computers ($2.0 billion), Transportation Equipment ($1.7 billion), and Scientific and Measuring Instruments ($1.5 billion). These five sectors accounted for 66 percent of the state's total exports in 1996.

- Among New Jersey's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Transportation Equipment	$1.2	$1.7	43%
Chemical Products	3.8	5.2	37
Food Products	1.0	1.2	27
Electronic and Electric Instruments	2.3	2.8	19

- New Jersey is the country's 37th largest agricultural exporting state, shipping $142 million in agricultural exports abroad in FY 1996. New Jersey's largest agriculture export category, miscellaneous products (mainly confectionery, nursery and greenhouse, essential oils, beverages, and other miscellaneous animal and vegetable products), accounted for 65 percent of New Jersey's agricultural exports in FY 1996.

- Total exports from New Jersey to NAFTA countries increased by 21 percent between 1993 (pre-NAFTA) and 1996 (from $3.6 billion in 1993 to $4.4 billion in 1996). During 1996, Canada was New Jersey's largest export market, while Mexico was New Jersey's eighth largest export market. Exports to Canada were up by 32 percent ($886 million), from $2.8 billion in 1993 to $3.6 billion in 1996. New Jersey's exports to Mexico were down by 14 percent ($121 million), to $737 million in 1996.

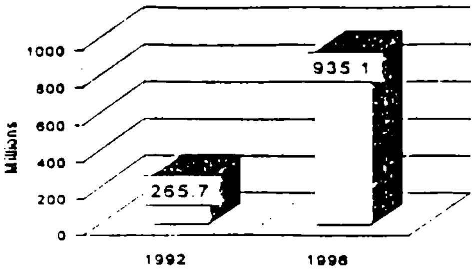
- During 1996, Japan was New Jersey's second largest export market. Total exports from New Jersey to Japan were up 39 percent ($458 million), from $1.2 billion in 1993 to $1.6 billion in 1996.

- Total exports from New Jersey to the European Union were up 15 percent ($639 million), from $4.2 billion in 1993 to $4.8 billion in 1996.

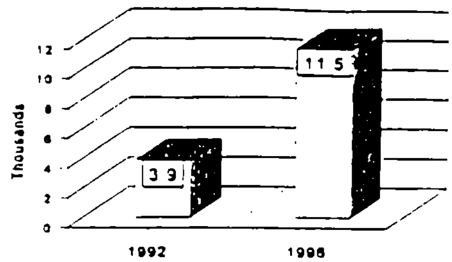
Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept. and the U.S. Agriculture Dept.

NEW MEXICO STATE EXPORTS

NEW MEXICO GOODS
Exports to World



NEW MEXICO JOBS
Supported by Exports To World



- New Mexico recorded goods exports totaling $935.1 million in 1996, up 252 percent ($669.5 million) from 1992. During 1996, New Mexico was the 43th largest state exporter of goods.

- New Mexico's jobs supported by goods exports grew an estimated 194 percent (7,579 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, New Mexico exports accounted for 20.7 percent of its manufacturing output and represented 14.5 percent of its total manufacturing employment.

- New Mexico's exports of manufactured products were up by 1,131 percent between 1993 and 1996 (from $393.8 million in 1993 to $908.9 million in 1996).

- The five largest manufacturing sectors in terms of New Mexico's exports were: Electronic and Electric Equipment ($696.8 million of exports in 1996), Petroleum and Coal Products ($54.2 million), Industrial Machinery and Computers ($42.1 million), Scientific and Measuring Instruments ($30.5 million), and Chemical Products ($28.3 million). These five sectors accounted for over 91 percent of the state's total exports in 1996.

- Among New Mexico's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Textile Products	$0.3	$4.4	1,168%
Electronic and Electric Equipment	129.3	696.8	439
Transportation Equipment	11.6	30.5	163
Scientific and Measuring Instruments	19.0	28.3	49

- New Mexico is the country's 40th largest agricultural exporting state, shipping $75 million in agricultural exports abroad in FY 1996.

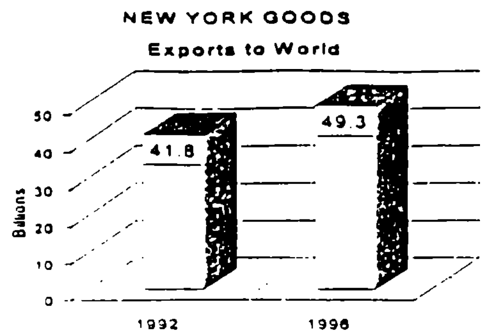
- Total exports from New Mexico to NAFTA countries decreased by 5 percent between 1993 (pre-NAFTA) and 1996 (from $165.2 million in 1993 to $156.4 million in 1996). During 1996, Mexico was New Mexico's third largest export market, while Canada was New Mexico's fifth largest export market. Exports to Mexico were down by 6 percent ($6.7 million), to $101.8 million in 1996. New Mexico's exports to Canada were down by 4 percent ($2.1 million), to $54.6 million in 1996.

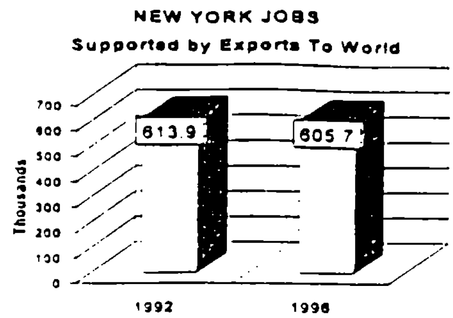
- During 1996, Japan was New Mexico's seventh largest export market. Total exports from New Mexico to Japan were up 28 percent ($10.1 million), from $36.0 billion in 1993 to $46.0 million in 1996.

- Total exports from New Mexico the European Union were up 32 percent ($25.4 million), from $79.4 million in 1993 to $104.8 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

NEW YORK STATE EXPORTS





- New York recorded goods exports totaling $49.3 billion in 1996, up 18 percent ($7.5 billion) from 1992. During 1996, New York was the third largest state exporter of goods.

- New York's jobs supported by goods exports declined an estimated 1 percent (8,202 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, New York exports accounted for 18.6 percent of its manufacturing output and represented 18.0 percent of its total manufacturing employment.

- New York's exports of manufactured products were up by 11 percent between 1993 and 1996 (from $38.5 billion in 1993 to $42.8 billion in 1996).

- The five largest manufacturing sectors in terms of New York's exports were: Primary Metal Industries ($6.7 billion of exports in 1996), Industrial Machinery and Computers ($6.3 billion), Scientific and Measuring Instruments ($4.5 billion), Transportation Equipment ($4.5 billion), and Electronic and Electric Equipment ($3.8 billion). These five sectors accounted for over half of the state's total exports in 1995.

- Among New York's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Paper Products	$1.3	$1.7	34%
Scientific and Measuring Instruments	3.5	4.5	31
Industrial Machinery and Computers	5.0	6.3	25
Electronic and Electric Equipment	3.2	3.8	18

- New York is the country's 33rd largest agricultural exporting state, shipping $396 million in agricultural exports abroad in FY 1996. The largest export categories, feed grain, miscellaneous products (mainly confectionery, nursery and greenhouse, essential oils, beverages, and other miscellaneous animal and vegetable products), vegetables and fruits, accounted for 76 percent of New York's agricultural exports in FY 1996.

- Total exports from New York to NAFTA countries increased by 32 percent between 1993 (pre-NAFTA) and 1996 (from $8.4 billion in 1993 to $11.1 billion in 1996). During 1996, Canada was New York's largest export market, while Mexico was New York's ninth largest export market. Exports to Canada were up by 36 percent ($2.5 billion), from $7.1 billion in 1993 to $9.6 billion in 1996. New York's exports to Mexico were up by 10 percent ($126 million), from $1.3 billion in 1992 to $1.5 billion in 1996.

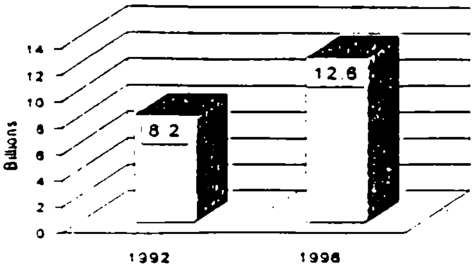
- During 1996, Japan was New York's second largest export market. Total exports from New York to Japan were up 21 percent ($1.0 billion), from $4.7 billion in 1993 to $5.7 billion in 1996.

- Total exports from New York to the European Union were down 9 percent ($1.0 billion), to $11.1 billion in 1996.

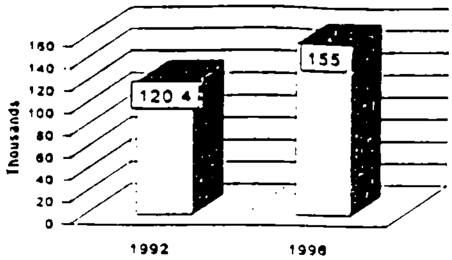
Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

NORTH CAROLINA STATE EXPORTS

NORTH CAROLINA GOODS
Exports to World



NORTH CAROLINA JOBS
Supported by Exports To World



- North Carolina recorded goods exports totaling $12.6 billion in 1996, up 54 percent ($4.4 billion) from 1992. During 1996 North Carolina was the 15th largest state exporter of goods.

- North Carolina's jobs supported by goods exports grew an estimated 29 percent (34,619 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, North Carolina exports accounted for 17.5 percent of its manufacturing output and represented 15.2 percent of its total manufacturing employment.

- North Carolina's exports of manufactured products were up by 50 percent between 1993 and 1996 (from $7.8 billion in 1993 to $11.8 billion in 1996).

- The five largest manufacturing sectors in terms of North Carolina exports were: Industrial Machinery and Computers ($2.2 billion of exports in 1996), Chemical Products ($1.7 billion), Electronic and Electric Equipment ($1.5 billion), Apparel Products ($1.3 billion), and Textile Mill Products ($1.1 billion). These five sectors accounted for 62 percent of the state's total exports in 1996.

- Among North Carolina's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Apparel Products	$0.6	1.3	112%
Industrial Machinery and Computers	1.2	2.2	77
Chemical Products	1.1	1.7	64
Textile Mill Products	0.7	1.1	61

- North Carolina is the country's 13th largest agricultural exporting state, shipping $1.4 billion in agricultural exports abroad or 2.4% of the U.S. total in FY 1996. The largest export categories, tobacco and poultry, accounted for 61 percent of North Carolina's agricultural exports in FY 1996.

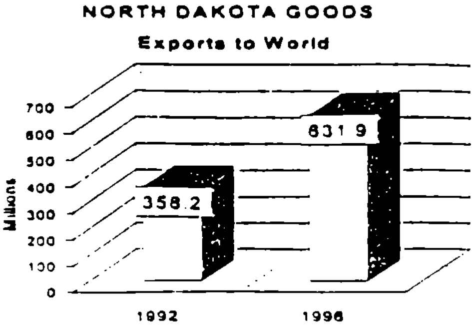
- Total exports from North Carolina to NAFTA countries increased by 67 percent between 1993 (pre-NAFTA) and 1996 (from $3.0 billion in 1993 to $5.0 billion in 1996). During 1996, Canada was North Carolina's largest export market, while Mexico was North Carolina's second largest export market. Exports to Canada were up by 53 percent ($1.4 billion), from $2.6 billion in 1993 to $3.9 billion in 1996. North Carolina's exports to Mexico were up by 158 percent ($629.0 million), from $398 million in 1993 to $1.0 billion in 1996.

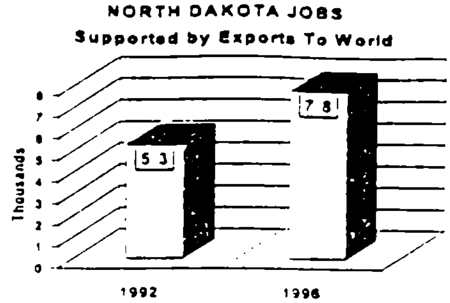
- During 1996, Japan was North Carolina's third largest export market. Total exports from North Carolina to Japan were up 15 percent ($113.6 million), from $742.9 million in 1993 to $856.5 million in 1996.

- Total exports from North Carolina to the European Union were up 36 percent ($717 million), from $2.0 billion in 1993 to $2.7 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

NORTH DAKOTA STATE EXPORTS





- North Dakota recorded goods exports totaling $631.9 million in 1996, up an estimated 76 percent ($273.7 million) from 1992. During 1996, North Dakota was the 46th largest state exporter of goods.

- North Dakota's jobs supported by goods exports grew an estimated 47 percent (2,498 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, North Dakota exports accounted for 14.4 percent of its manufacturing output and represented 12.2 percent of its total manufacturing employment.

- North Dakota's exports of manufactured products were up by 49 percent between 1993 and 1996 (from $348.0 million in 1993 to $517.9 million in 1996).

- The five largest manufacturing sectors in terms of North Dakota's exports were: Industrial Machinery and Computers ($266.7 million of exports in 1996), Transportation Equipment ($116.2 million), Food Products ($78.7 million), Chemical Products ($16.6 million), and Electronic and Electric Equipment ($10.0 million). These five sectors accounted for 77 percent of the state's total exports in 1996.

- Among North Dakota's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Food Products	$24.2	$78.7	225%
Chemical Products	10.7	16.6	55
Transportation Equipment	80.0	116.2	45
Industrial Machinery and Computers	187.0	266.7	43

- North Dakota is the country's 10th largest agricultural exporting state, shipping $1.7 billion in agricultural exports abroad or 2.9% of the U.S. total in FY 1996. The largest export category, wheat, accounted for 68 percent of North Dakota's agricultural exports in FY 1996.

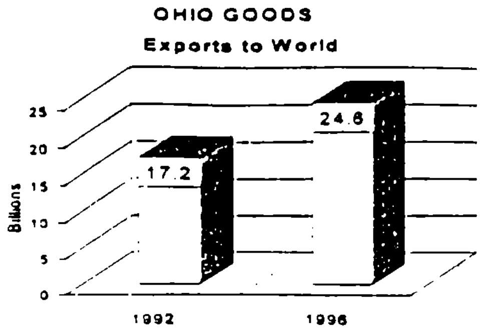
- Total exports from North Dakota to NAFTA countries increased by 45 percent between 1993 (pre-NAFTA) and 1996 (from $301.1 million in 1993 to $435.2 million in 1996). During 1996, Canada was North Dakota's largest export market, while Mexico was North Dakota's fourth largest export market. Exports to Canada were up by 42 percent ($123.8 million), from $298.1 million in 1993 to $421.9 million in 1996. North Dakota's exports to Mexico were up by 340 percent ($10.3 million), from $3.0 million in 1993 to $13.3 million in 1996.

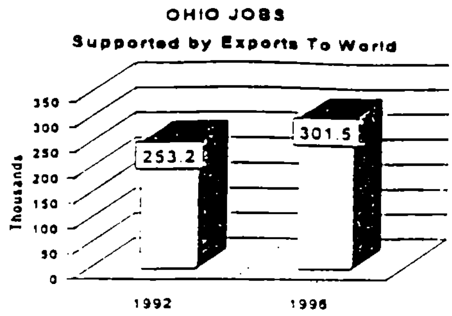
- During 1996, Japan was North Dakota 10th largest export market. Total exports from North Dakota to Japan were up 25 percent ($1.3 million), from $4.9 million in 1993 to $6.2 million in 1996.

- Total exports from North Dakota the European Union were up 41 percent ($39.2 million), from $95.7 million in 1993 to $134.9 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

OHIO STATE EXPORTS





- Ohio recorded goods exports totaling $24.6 billion in 1996, up 42 percent ($7.3 billion) from 1992. During 1996, Ohio was the seventh largest state exporter of goods.

- Ohio's jobs supported by goods exports grew an estimated 19 percent (48,258 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Ohio exports accounted for 20.5 percent of its manufacturing output and represented 20.0 percent of its total manufacturing employment.

- Ohio's exports of manufactured products were up by 25 percent between 1993 and 1996 (from $18.7 billion in 1993 to $23.5 billion in 1996).

- The five largest manufacturing sectors in terms of Ohio's exports were: Transportation Equipment ($5.7 billion of exports in 1996), Industrial Machinery and Computers ($5.3 billion), Chemical Products ($3.2 billion), Electronic and Electric Equipment ($2.0 billion), and Metal Products ($1.4 billion). These five sectors accounted for over 71 percent of the state's total exports in 1996.

- Among Ohio's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Primary Metals	$0.7	$1.0	52%
Fabricated Metal Products	0.9	1.4	45
Industrial Machinery and Computers	4.0	5.3	34
Chemical Products	2.4	3.2	34

- Ohio is the country's 12th largest agricultural exporting state, shipping $1.6 billion in agricultural exports abroad or 2.7% of the U.S. total in FY 1996. The largest export categories, soybeans and feed grains, accounted for 68 percent of Ohio's agricultural exports in FY 1996.

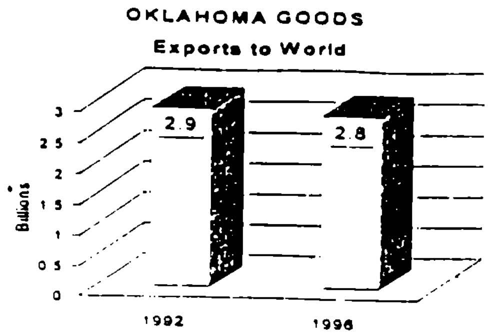
- Total exports from Ohio to NAFTA countries increased by 22 percent between 1993 (pre-NAFTA) and 1996 (from $9.7 billion in 1993 to $11.8 billion in 1996). During 1996, Canada was Ohio's largest export market, while Mexico was Ohio's second largest export market. Exports to Canada were up by 19 percent ($1.7 billion) from $8.6 billion in 1993 to $10.3 billion in 1996. Ohio's exports to Mexico were up by 45 percent ($462 million), from $1.0 billion in 1993 to $1.5 billion in 1996.

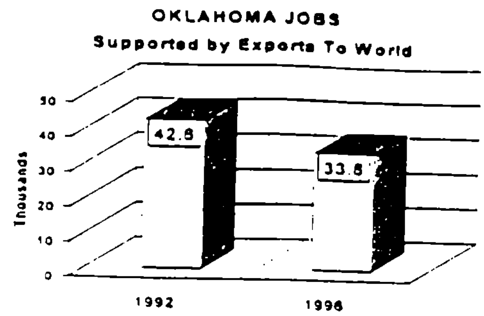
- During 1996, Japan was Ohio's fourth largest export market. Total exports from Ohio to Japan were up 46 percent ($416 million), from $902.9 million in 1993 to $1.3 billion in 1996.

- Total exports from Ohio to the European Union were up 16 percent ($703 million), from $4.5 billion in 1993 to $5.2 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

OKLAHOMA STATE EXPORTS





- Oklahoma recorded goods exports totaling $2.8 billion in 1996, down 5 percent ($151 million) from 1992. During 1996, Oklahoma was the 33rd largest state exporter of goods.

- Nearly 34 thousand Oklahoma jobs were supported by goods exports during 1996. However, Oklahoma's jobs supported by goods exports declined an estimated 21 percent (8,832 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Oklahoma's exports accounted for 14.9 percent of its manufacturing output and represented 16.0 percent of its total manufacturing employment.

- Oklahoma's exports of manufactured products were up by 13 percent between 1993 and 1996 (from $2.2 billion in 1993 to $2.5 billion in 1996).

- The five largest manufacturing sectors in terms of Oklahoma's exports were: Industrial Machinery and Computers ($887 million of exports in 1996), Chemical Products ($326 million), Transportation Equipment ($253 million), Electronic and Electric Equipment ($224 million), and Fabricated Metal Products ($206 million). These five sectors accounted for 69 percent of the state's total exports in 1996.

- Among Oklahoma's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Chemical Products	$145.5	$326.1	124%
Primary Metal Industries	83.3	107.4	29
Fabricated Metal Products	160.2	205.9	29
Scientific and Measuring Instruments	101.4	124.8	23

- Oklahoma is the country's 31th largest agricultural exporting state, shipping $475 million in agricultural exports abroad in FY 1996. Oklahoma's largest agriculture export category, wheat, accounted for 65 percent of Oklahoma's agricultural exports in FY 1996.

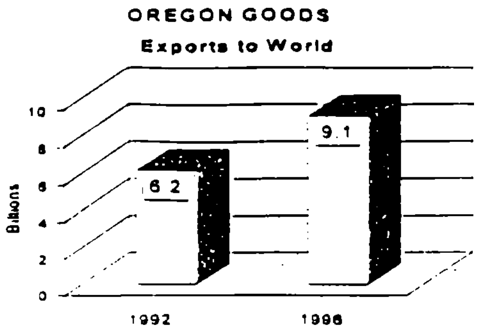
- Total exports from Oklahoma to NAFTA countries increased by 14 percent between 1993 (pre-NAFTA) and 1996 (from $724 million in 1993 to $824 million in 1996). During 1996, Canada was Oklahoma's largest export market, while Mexico was Oklahoma's third largest export market. Exports to Canada were up by 14 percent ($77 million), from $554 million in 1993 to $631 million in 1996. Oklahoma's exports to Mexico were up by 13 percent ($22 million), from $170 million in 1993 to $192 million in 1996.

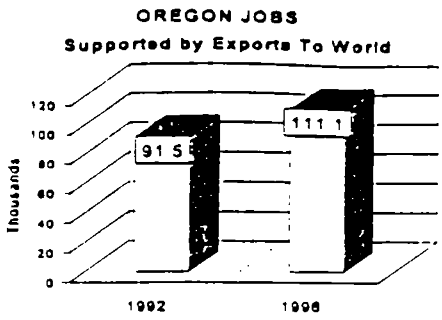
- During 1996, Japan was Oklahoma's second largest export market. Total exports from Oklahoma to Japa were up 66 percent ($82 million), from $123 million in 1993 to $205 million in 1996.

- Total exports from Oklahoma to the European Union were up 10 percent ($47 million), from $478 mi' 1993 to $525 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

OREGON STATE EXPORTS





- Oregon recorded goods exports totaling $9.1 billion in 1996, up 45 percent ($2.8 billion) from 1992. During 1996, Oregon was the 22nd largest state exporter of goods.

- Oregon's jobs supported by goods exports grew an estimated 22 percent (19,630 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Oregon exports accounted for 23.1 percent of its manufacturing output and represented 20.9 percent of its total manufacturing employment.

- Oregon's exports of manufactured products were up by 30 percent between 1993 and 1996 (from $4.2 billion in 1993 to $5.5 billion in 1996).

- The five largest manufacturing sectors in terms of Oregon's exports were: Electronic and Electric Equipment ($1.7 billion of exports in 1996), Industrial Machinery and Computers ($1.4 billion), Lumber and Wood Products ($563.2 million), Transportation Equipment ($477.7 million), and Paper Products ($309.8). These five sectors accounted for 49 percent of the state's total exports in 1996.

- Among Oregon fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Paper Products	$115.9	$309.8	167%
Electronic and Electric Equipment	664.0	1,700.0	156
Industrial Machinery and Computers	1,084.2	1,412.8	30
Transportation Equipment	390.9	477.7	22

- Oregon is the country's 26th largest agricultural exporting state, shipping $686 million in agricultural exports abroad in FY 1996. The largest export categories, wheat and vegetables, accounted for 57 percent of Oregon's agricultural exports in FY 1996.

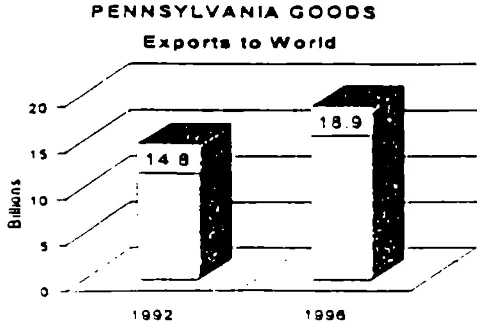
- Total exports from Oregon to NAFTA countries increased by 3 percent between 1993 (pre-NAFTA) and 1996 (from $1.10 billion in 1993 to $1.13 billion in 1996). During 1996 Canada was Oregon's third largest export market, while Mexico was Oregon's 22nd largest export market. Exports to Canada were up by 9 percent ($90.4 million), from $985.9 million in 1993 to $1.1 billion in 1996. Oregon's exports to Mexico were down by 52 percent ($59 million), to $55.0 million in 1996.

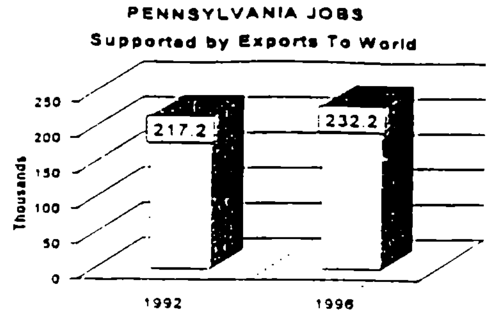
- During 1996, Japan was Oregon's largest export market. Total exports from Oregon to Japan were up 19 percent ($246 million), from $1.3 billion in 1993 to $1.6 billion in 1996.

- Total exports from Oregon to the European Union were down 11 percent ($128.8 million), from $1.1 billion in 1993 to $1.0 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

PENNSYLVANIA STATE EXPORTS





- Pennsylvania recorded goods exports totaling $18.9 billion in 1996, up 28 percent ($4.1 billion) from 1992. During 1996, Pennsylvania was the 10th largest state exporter of goods.

- Pennsylvania's jobs supported by goods exports grew an estimated 7 percent (15,059 jobs) since 1993. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Pennsylvania's exports accounted for 16.8 percent of its manufacturing output and represented 17.7 percent of its total manufacturing employment.

- Pennsylvania's exports of manufactured products were up by 30 percent between 1993 and 1996 (from $13.6 billion in 1993 to $17.8 billion in 1996).

- The five largest manufacturing sectors in terms of Pennsylvania's exports were: Chemical Products ($3.6 billion of exports in 1996), Industrial Machinery and Computers ($3.4 billion), Electronic and Electric Equipment ($2.6 billion), Primary Metal Industries ($1.6 billion), and Transportation Equipment ($1.2 billion). These five sectors accounted for 66 percent of the state's total exports in 1996.

- Among Pennsylvania's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Primary Metal Industries	$1.0	$1.6	66%
Chemical Products	2.6	3.5	36
Industrial Machinery and Computers	2.5	3.4	36
Electronic and Electric Equipment	2.0	2.6	31

- Pennsylvania is the country's 27th largest agricultural exporting state, shipping $557 million in agricultural exports abroad in FY 1996. The three largest export categories, Live Animals and Meat (excluding poultry), Poultry and Other Products (mainly confectionery, nursery and greenhouse, essential oils, beverages, or other miscellaneous animal and vegetable products), accounted for 57 percent of Pennsylvania's agricultural exports in FY 1996.

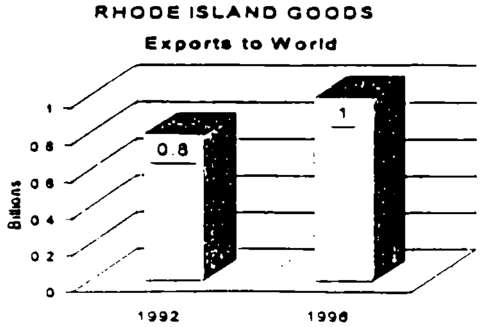
- Total exports from Pennsylvania to NAFTA countries increased by 19 percent between 1993 (pre-NAFTA) and 1996 (from $5.2 billion in 1993 to $6.1 billion in 1996). During 1996, Canada was Pennsylvania's largest export market, while Mexico was Pennsylvania's fourth largest export market. Exports to Canada were up by 16 percent ($709 million), from $4.5 billion in 1993 to $5.2 billion in 1995. Pennsylvania's exports to Mexico were up by 36 percent ($254 million), from $710 million to $964 million in 1996.

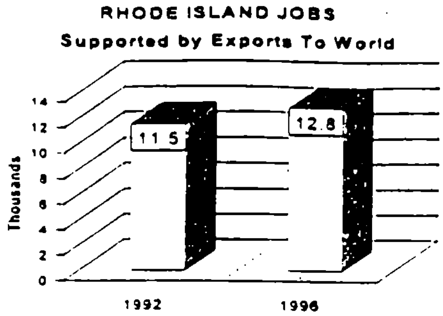
- During 1996, Japan was Pennsylvania's third largest export market. Total exports from Pennsylvania to Japan were up 32 percent ($284 million), from $893 million in 1993 to $1.2 billion in 1996.

- Total exports from Pennsylvania to the European Union were up 43 percent ($1.4 billion), to $4.7 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

RHODE ISLAND STATE EXPORTS





- Rhode Island recorded goods exports totaling $1.0 billion in 1996, up 34 percent ($262 million) from 1992. During 1996, Rhode Island was the 42nd largest state exporter of goods.

- Rhode Island's jobs supported by goods exports declined an estimated 12 percent (1,341 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Rhode Island exports accounted for 19.4 percent of its manufacturing output and represented 18.0 percent of its total manufacturing employment.

- Rhode Island's exports of manufactured products were down by 1 percent between 1993 and 1996 (from $898.8 million in 1993 to $886.4 million in 1996).

- The five largest manufacturing sectors in terms of Rhode Island's exports were: Industrial Machinery and Computers ($177.6 million of exports in 1996), Electronic and Electric Equipment ($161.7 million), Miscellaneous Manufacturing Industries ($135.8 million), Scientific and Measuring Instruments ($66.9 million) and Primary Metals ($66.8 million). These five sectors accounted for over 58 percent of the state's total exports in 1996.

- Among Rhode Island fastest growing manufactured exports (in ~~millions~~) were:

Sector	1993	1996	Change %
Food Products	$6.6	$11.3	71%
Textile Products	28.8	41.1	43
Electronic and Electric Equipment	119.5	161.7	35
Scientific and Measuring Instruments	56.1	66.9	19

- Rhode Island is the country's 48th largest agricultural exporting state, shipping $1.1 million in agricultural exports abroad in FY 1996.

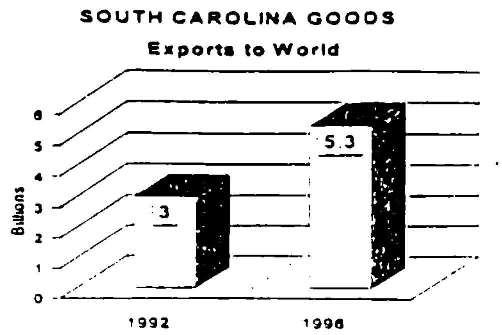
- Total exports from Rhode Island to NAFTA countries increased by 2 percent between 1993 (pre-NAFTA) and 1996 (from $377 million in 1993 to $386 million in 1996). During 1996, Canada was Rhode Island's largest export market, while Mexico was Rhode Island's 11th largest export market. Exports to Canada were up by 8 percent ($27 million) from $333.8 million in 1993 to $360.6 million in 1996. Rhode Island's exports to Mexico were down by 42 percent ($18 million), from $43.1 million in 1993 to $25.2 million in 1996.

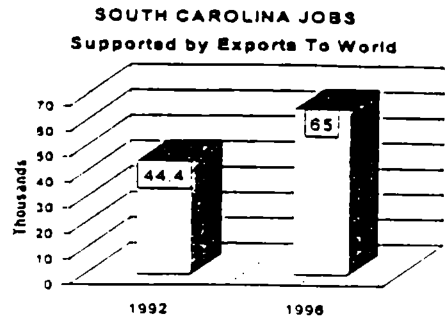
- During 1996, Japan was Rhode Island's third largest export market. Total exports from Rhode Island to Japan were up 48 percent ($21.3 million), from $44.8 million in 1993 to $66.1 million in 1996.

- Total exports from Rhode Island to the European Union were down 10 percent ($37 million), to $316.7 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

SOUTH CAROLINA STATE EXPORTS





- South Carolina recorded goods exports totaling $5.3 billion in 1996, up 75 percent ($2.3 billion) from 1992. During 1966, South Carolina was the 26th largest state exporter of goods.

- South Carolina's jobs supported by goods exports grew an estimated 46 percent (20,603 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, South Carolina exports accounted for 21.4 percent of its manufacturing output and represented 18.0 percent of its total manufacturing employment.

- South Carolina's exports of manufactured products were up by 47 percent between 1993 and 1996 (from $3.5 billion in 1993 to $5.2 billion in 1996).

- The five largest manufacturing sectors in terms of South Carolina's exports were: Electronic and Electric Equipment ($959.0 million of exports in 1996), Transportation Equipment ($890.6 million), Industrial Machinery and Computers ($764.3 million), Chemical Products ($618.8 million), and Textile Mill Products ($388.9 million). These five sectors accounted for 68 percent of the state's total exports in 1996.

- Among South Carolina's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Transportation Equipment	$364.3	$890.6	145%
Chemical Products	377.3	618.8	64
Rubber and Miscellaneous Products	236.2	380.7	61
Electronic and Electric Equipment	630.1	959.0	52

- South Carolina is the country's 34th largest agricultural exporting state, shipping $348 million in agricultural exports abroad in FY 1996. The two largest export categories, tobacco and cotton and linters, accounted for 53 percent of South Carolina's agricultural exports in FY 1996.

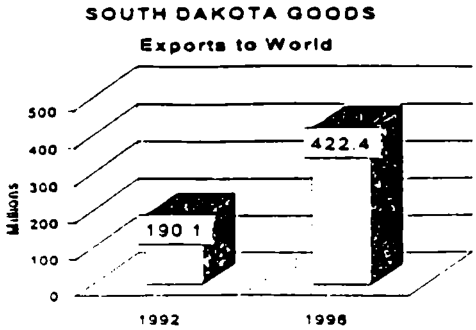
- Total exports from South Carolina to NAFTA countries increased by 47 percent between 1993 (pre-NAFTA) and 1996 (from $1.6 billion in 1993 to $2.3 billion in 1996). During 1996, Canada was South Carolina's largest export market, while Mexico was South Carolina's third largest export market. Exports to Canada were up by 25 percent ($321 million), from $1.3 billion in 1993 to $1.6 billion in 1996. South Carolina's exports to Mexico were up by 140 percent ($421 million), from $300.3 million in 1993 to $721.2 million in 1996.

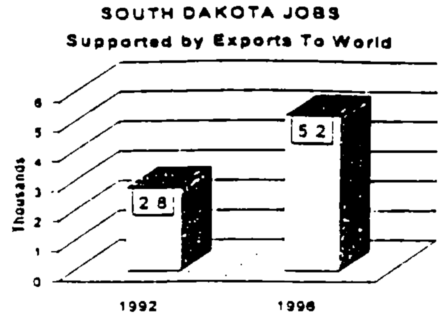
- During 1996, Japan was South Carolina's fifth largest export market. Total exports from South Carolina to Japan were up 33 percent ($51.7 million), from $159.1 million in 1993 to $210.9 million in 1996.

- Total exports from South Carolina to the European Union were up 65 percent ($609.8 million), from $933.6 million in 1993 to $1.5 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

SOUTH DAKOTA STATE EXPORTS





- South Dakota recorded goods exports totaling $422.4 million in 1996, up 122 percent ($232 million) from 1992. During 1996, South Dakota was the 47th largest state exporter of goods.

- South Dakota's jobs supported by goods exports grew an estimated 86 percent (2,394 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, South Dakota exports accounted for 13.7 percent of its manufacturing output and represented 16.5 percent of its total manufacturing employment.

- South Dakota's exports of manufactured products were up by 82 percent between 1993 and 1996 (from $223.7 million in 1993 to $406.6 million in 1996).

- The five largest manufacturing sectors in terms of South Dakota's exports were: Industrial Machinery and Computers ($150.1 million of exports in 1996), Primary Metals ($60.8 million), Scientific and Measuring Instruments ($55.6 million), Electronic and Electric Equipment ($42.8 million), and Transportation Equipment ($29.4 million). These five sectors accounted for over 80 percent of the state's total exports in 1996.

- Among South Dakota's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Industrial Machinery and Computers	$71.4	$150.1	110%
Electronic and Electric Equipment	21.9	42.8	95
Transportation Equipment	18.3	29.4	60
Scientific and Measuring Instruments	35.8	55.6	55

- South Dakota is the country's 19th largest agricultural exporting state, shipping $1.2 billion in agricultural exports abroad or 1.9% of the U.S. total in FY 1996. Large export product categories include wheat, feed grains, and soybeans. These three categories accounted for 74 percent of South Dakota's agricultural exports in FY 1996.

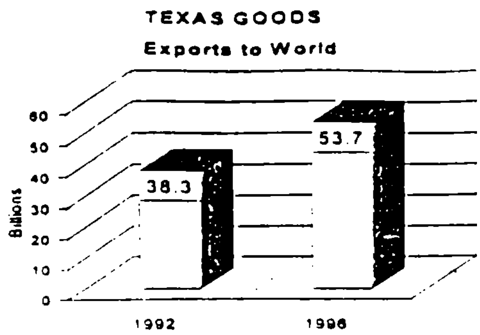
- Total exports from South Dakota to NAFTA countries increased by 41 percent between 1993 (pre-NAFTA) and 1996 (from $133.1 million in 1993 to $187.6 million in 1996). During 1996, Canada was South Dakota's largest export market, while Mexico was South Dakota's 10th largest export market. Exports to Canada were up by 39 percent ($50.4 million), from $128.7 million in 1993 to $179.1 million in 1996. South Dakota's exports to Mexico were up by 95 percent ($4.2 million), from $4.4 million in 1993 to $8.6 million in 1996.

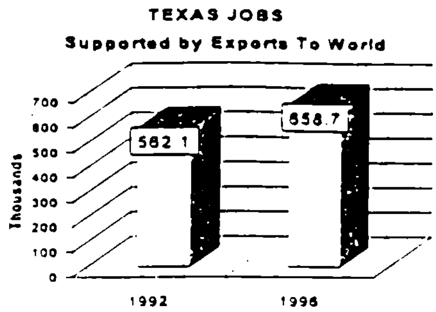
- During 1996, Japan was South Dakota's fourth largest export market. Total exports from South Dakota to Japan were up 173 percent ($18.4 million), from $10.6 million in 1993 to $29.1 million in 1996.

- Total exports from South Dakota to the European Union were up 64 percent ($43.0 million), from $67.4 million in 1993 to $110.4 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

TEXAS STATE EXPORTS





- Texas recorded goods exports totaling $53.7 billion in 1996, up 40 percent ($15.4 billion) from 1992. During 1996, Texas was the second largest state exporter of goods.

- Texas' jobs supported by goods exports grew an estimated 17 percent (96,506 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Texas exports accounted for 21.1 percent of its manufacturing output and represented 23.9 percent of its total manufacturing employment.

- Texas' exports of manufactured products were up by 37 percent between 1993 and 1996 (from $37.4 billion in 1993 to $51.3 billion in 1996).

- The five largest manufacturing sectors in terms of Texas' exports were: Electronic and Electric Equipment ($11.2 billion of exports in 1996), Industrial Machinery and Computers ($11.2 billion), Chemical Products ($8.6 billion), Transportation Equipment ($4.4 billion), and Petroleum and Coal Products ($2.5 billion). These five sectors accounted for 71 percent of the state's total exports in 1996.

- Among Texas fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Fabricated Metal Products	$1.1	$2.2	91%
Electronic and Electric Equipment	6.7	11.2	67
Rubber and Plastic Products	0.8	1.3	64
Chemical Products	6.5	8.6	33

- Texas is the country's fourth largest agricultural exporting state, shipping $3.6 billion in agricultural exports abroad or 6% of the U.S. total in FY 1996. The largest export categories, cotton and linters, live animals and meat (excluding poultry) and feed grains, accounted for 57 percent of Texas' agricultural exports in FY 1996.

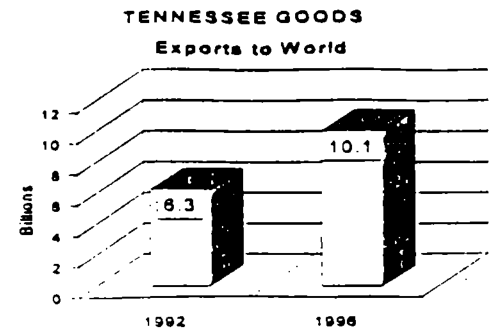
- Total exports from Texas to NAFTA countries increased by 33 percent between 1993 (pre-NAFTA) and 1996 (from $19.0 billion in 1993 to $25.3 billion in 1996). During 1996, Mexico was Texas' largest export market, while Canada was Texas' second largest export market. Exports to Mexico were up by 25 percent ($3.6 billion), from $14.5 billion in 1993 to $18.2 billion in 1996. Texas' exports to Canada were up by 58 percent ($2.6 billion), from $4.5 billion in 1993 to $7.1 billion in 1996.

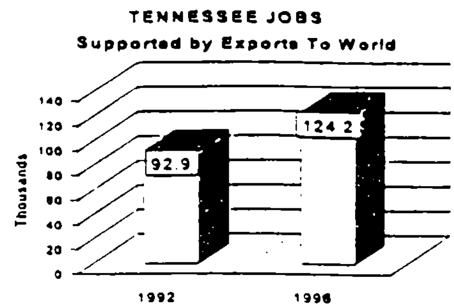
- During 1996, Japan was Texas' third largest export market. Total exports from Texas to Japan were up 45 percent ($679 million), from $1.5 billion in 1993 to $2.2 billion in 1996.

- Total exports from Texas to the European Union were up 19 percent ($938 million), from $4.8 billion in 1993 to $5.8 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

TENNESSEE STATE EXPORTS





- Tennessee recorded goods exports totaling $10.1 billion in 1996, up 60 percent ($3.8 billion) from 1992. During 1996, Tennessee was the 19th largest state exporter of goods.

- Tennessee's jobs supported by goods exports grew an estimated 34 percent (31,267 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Tennessee exports accounted for 17.2 percent of its manufacturing output and represented 15.7 percent of its total manufacturing employment.

- Tennessee's exports of manufactured products were up by 43 percent between 1993 and 1996 (from $5.6 billion in 1993 to $8.0 billion in 1996).

- The five largest manufacturing sectors in terms of Tennessee's exports were: Transportation Equipment ($1.6 billion of exports in 1996), Chemical Products ($1.5 billion), Industrial Machinery and Computers ($1.1 billion), Paper Products ($960 million) and Electronic and Electric Equipment ($865 million). These five sectors accounted for over 58 percent of the state's total exports in 1996.

- Among Tennessee's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Transportation Equipment	$0.9	$1.6	68%
Electronic and Electric Equipment	0.5	0.9	63
Industrial Machinery and Computer Equipment	0.7	1.1	51
Paper Products	0.7	1.0	41

- Tennessee is the country's 28th largest agricultural exporting state, shipping $514 million in agricultural exports abroad in FY 1996. The largest export categories, soybeans, cotton and linters and tobacco, accounted for 65 percent of Tennessee's agricultural exports in FY 1996.

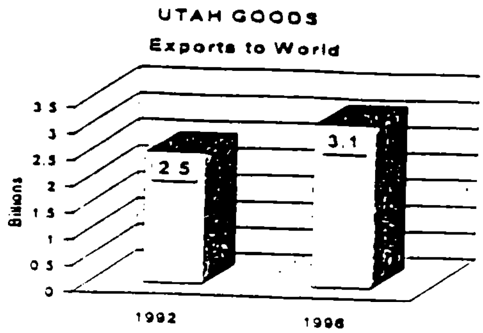
- Total exports from Tennessee to NAFTA countries increased by 38 percent between 1993 (pre-NAFTA) and 1996 (from $2.5 billion in 1993 to $3.5 billion in 1996). During 1996, Canada was Tennessee's largest export market, while Mexico was Tennessee's second largest export market. Exports to Canada were up by 29 percent ($529 million), from $1.8 billion in 1993 to $2.4 billion in 1996. Tennessee's exports to Mexico were up by 63 percent ($445 million), from $702.7 million in 1993 to $1.1 billion in 1996.

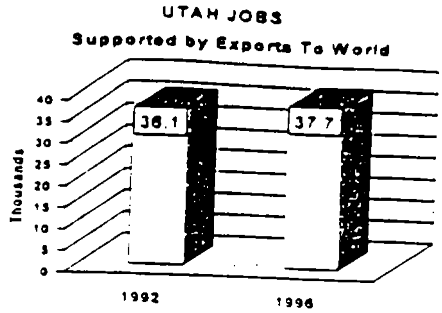
- During 1996, Japan was Tennessee's fourth largest export market. Total exports from Tennessee to Japan were up 87 percent ($352 million), from $406.3 million in 1993 to $758.5 million in 1996.

- Total exports from Tennessee to the European Union were up 22 percent ($362 million), from $1.6 billion in 1993 to $2.0 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

UTAH STATE EXPORTS





- Utah recorded goods exports totaling $3.1 billion in 1996, up 25 percent ($612 million) from 1992. During 1996, Utah was the 31th largest state exporter of goods.

- Utah's jobs supported by goods exports grew an estimated 4 percent (1,598 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Utah exports accounted for 17.2 percent of its manufacturing output and represented 17.7 percent of its total manufacturing employment.

- Utah's exports of manufactured products increased by 31 percent between 1993 and 1996 (from $2.0 billion in 1993 to $2.7 billion in 1996).

- The five largest manufacturing sectors in terms of Utah's exports were: Primary Metals ($560.0 million of exports in 1996), Transportation Equipment ($482.9), Industrial Machinery and Computers ($471.7 million), Electronic and Electric Equipment ($374.4 million), and Chemical Products ($210.1 million). These five sectors accounted for over 68 percent of the state's total exports in 19956

- Among Utah's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Chemical Products	$93.6	$210.1	124%
Industrial Machinery and Computers	211.5	471.7	123
Transportation Equipment	278.7	482.9	73
Scientific and Measuring Instruments	104.9	155.7	48

- Utah is the country's 36th largest agricultural exporting state, shipping $147 million in agricultural exports abroad in FY 1996. The largest export categories, live animals and meat, and hides and skins, accounted for 78 percent of Utah's agricultural exports in FY 1996.

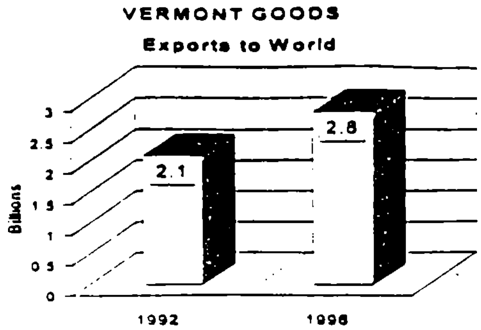
- Total exports from Utah to NAFTA countries increased by 28 percent between 1993 (pre-NAFTA) and 1996 (from $471.8 million in 1993 to $604.2 million in 1996). During 1996, Canada was Utah's largest export market, while Mexico was Utah's ninth largest export market. Exports to Canada were up by 18 percent ($80.0 million) from $439.8 million to $519.8 million in 1996. Utah's exports to Mexico were up by 163 percent ($52.3 million), from $32.0 million in 1993 to $84.3 million in 1996.

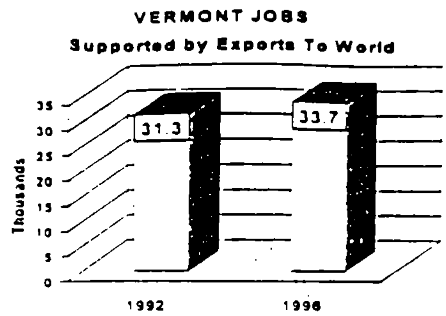
- During 1996, Japan was Utah's second largest export market. Total exports from Utah to Japan were up 86 percent ($223.4 million), from $258.6 million in 1993 to $482.1 million in 1996.

- Total exports from Utah to the European Union were up 108 percent ($532 million), from $493.5 million in 1993 to $1.0 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

VERMONT STATE EXPORTS





- Vermont recorded goods exports totaling $2.8 billion in 1996, up 29 percent ($614 million) from 1992. During 1996, Vermont was the 34st largest state exporter of goods.

- Vermont's jobs supported by goods exports increased an estimated 8 percent (2,399 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Vermont's exports accounted for 20.6 percent of its manufacturing output and represented 18.5 percent of its total manufacturing employment.

- Vermont's exports of manufactured products were up by 3 percent between 1993 and 1996 (from $2.6 billion in 1993 to $2.7 billion in 1996).

- The five largest manufacturing sectors in terms of Vermont's exports were: Electronic and Electric Equipment ($2.1 billion of exports in 1996), Industrial Machinery and Computers ($127.5 million), Fabricated Metal Products ($76.5 million), Transportation Equipment ($38.7 million), and Paper Products ($38.2 million). These five sectors accounted for over 85 percent of the state's total exports in 1996.

- Among Vermont's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Paper Products	$23.4	$38.2	64%
Chemical Products	23.8	35.2	48
Miscellaneous Manufacturing Industries	23.8	33.9	42
Fabricated Metal Products	62.0	76.5	23

- Vermont is the country's 47th largest agricultural exporting state, shipping $8 million in agricultural exports abroad in FY 1996.

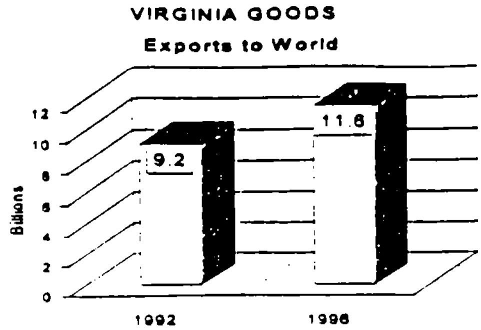
- Total exports from Vermont to NAFTA countries decreased by 1 percent between 1993 (pre-NAFTA) and 1996 (from $2.52 billion in 1993 to $2.50 billion in 1996). During 1996, Canada was Vermont's largest export market, while Mexico was Vermont's eleventh largest export market. Exports to Canada were down by 1 percent ($16 million), from $2.50 billion in 1993 to $2.49 billion in 1996. Vermont's exports to Mexico were down by 35 percent ($5.0 million), to $9.3 million in 1996.

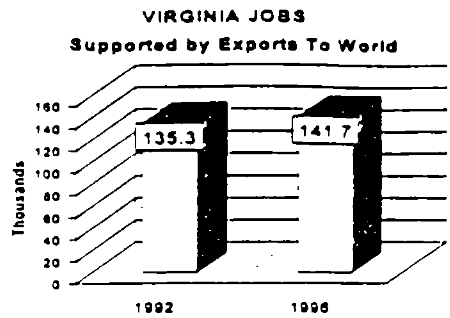
- During 1996, Japan was Vermont's third largest export market. Total exports from Vermont to Japan were up 139 percent ($21 million), from $14.9 million in 1993 to $35.5 million in 1996.

- Total exports from Vermont to the European Union were up 29 percent ($23 million), to $101.7 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

VIRGINIA STATE EXPORTS





- Virginia recorded goods exports totaling $11.6 billion in 1996, up 25 percent ($2.3 billion) from 1992. During 1996, Virginia was the 16th largest state exporter of goods.

- Virginia's jobs supported by goods exports grew an estimated 5 percent (6,427 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Virginia's exports accounted for 17.2 percent of its manufacturing output and represented 14.0 percent of its total manufacturing employment.

- Virginia's exports of manufactured products were up by 34 percent between 1993 and 1996 (from $7.6 billion in 1993 to $10.3 billion in 1996).

- The five largest manufacturing sectors in terms of Virginia's exports were: Tobacco ($3.7 billion of exports in 1996), Industrial Machinery and Computers ($1.2 billion), Transportation Equipment ($1.0 billion), Electronic and Electric Equipment ($808 million) and Chemical Products ($801million). These five sectors accounted for 66 percent of the state's total exports in 1996.

- Among Virginia's fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Tobacco	$2.5	$3.7	46%
Industrial Machinery and Computers	0.9	1.2	39
Electronic and Electric Equipment	0.6	0.8	36
Chemical Products	0.6	0.8	36

- Virginia is the country's 30th largest agricultural exporting state, shipping $490 million in agricultural exports abroad in FY 1996. The two largest export categories, poultry and tobacco, accounted for 40 percent of Virginia's agricultural exports in FY 1996.

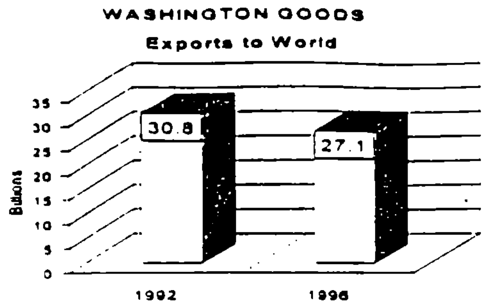
- Total exports from Virginia to NAFTA countries increased by 17 percent between 1993 (pre-NAFTA) and 1996 (from $1.7 billion in 1993 to $1.9 billion in 1996). During 1996, Canada was Virginia's largest export market, while Mexico was Virginia's seventh largest export market. Exports to Canada were up by 19 percent ($250 million), from $1.3 billion in 1993 to $1.6 billion in 1996. Virginia's exports to Mexico were up by 11 percent ($35 million), from $329.2 million in 1993 to $364.6 million in 1996.

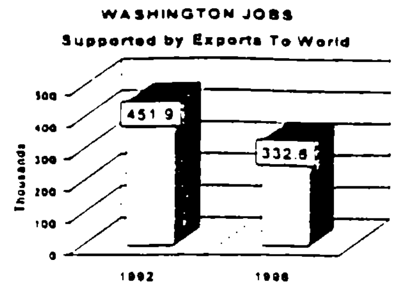
- During 1996, Japan was Virginia's second largest export market. Total exports from Virginia to Japan were up 13 percent ($160 million), from $1.2 billion in 1993 to $1.4 billion in 1996.

- Total exports from Virginia to the European Union were up 54 percent ($1.2 billion), from $2.3 billion in 1993 to $3.5 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

WASHINGTON STATE EXPORTS





- Washington recorded goods exports totaling $27.1 billion in 1996, down 12 percent ($3.7 billion) from 1992. During 1996, Washington was the sixth largest state exporter of goods. This decline was primarily due to the decline in the sales of transportation equipment, mainly aircraft and associated products. With the increased orders for airplanes to Boeing over the past year, an increase in exports for this sector should be expected. Washington's goods exports (not including the sales of transportation equipment) increased by 22 percent ($2.4 billion) between 1992 and 1996 (from $10.7 billion in 1993 to $13.1 billion in 1996).

- Over 330,000 jobs in Washington are supported by goods exports in 1996. This has declined by an estimated 26 percent (119,352 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Washington exports accounted for 43.6 percent of its manufacturing output and represented 31.2 percent of its total manufacturing employment.

- Washington exports of manufactured products were down by 6 percent between 1992 and 1996 (from $25.7 billion in 1993 to $24.2 billion in 1996).

- The five largest manufacturing sectors in terms of Washington exports were: Transportation Equipment ($14.0 billion of exports in 1996), Lumber and Wood Products ($3.2 billion), Paper Products ($1.4 billion), Industrial Machinery and Computers ($1.2 billion), and Food Products ($1.0 billion). These five sectors accounted for 77 percent of the state's total exports in 1996.

- Among Washington fastest growing manufactured exports (in billions) were:

Sector	1993	1996	Change %
Electronic and Electric Equipment	$0.6	$0.9	50%
Paper Products	0.9	1.4	49
Food Products	0.8	1.0	21
Industrial Machinery and Computers	1.0	1.1	18

- Washington is the country's ninth largest agricultural exporting state, shipping $2.0 billion in agricultural exports abroad or 3.4% of the U.S. total in FY 1996. The largest export categories, wheat, fruits, and vegetables, accounted for 75 percent of Washington's agricultural exports in FY 1996.

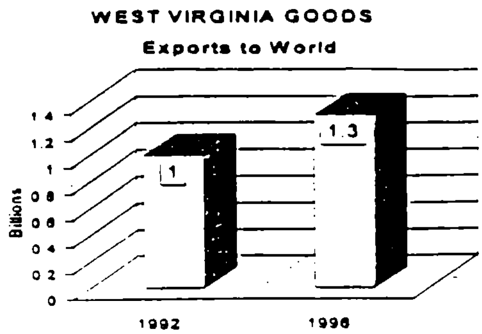
- Total exports from Washington to NAFTA countries increased by 42 percent between 1993 (pre-NAFTA) and 1996 (from $2.1 billion in 1993 to $2.9 billion in 1996). During 1996, Canada was Washington's second largest export market, while Mexico was Washington's 18th largest export market. Exports to Canada were up by 44 percent ($813 million), from $1.9 billion in 1993 to $2.7 billion in 1996. Washington's exports to Mexico were up by 27 percent ($58 million), from $214.8 million in 1993 to $273.2 million in 1996.

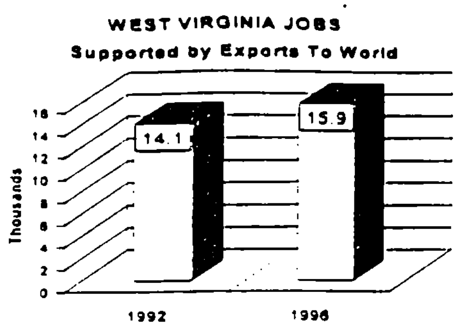
- During 1996, Japan was Washington's largest export market. Total exports from Washington to Japan were down 2.0 percent ($109.5 million), to $6.7 billion in 1996.

- Total exports from Washington to the European Union were down 18 percent ($1.2 billion), to $5.1 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept. and the U.S. Agriculture Dept.

WEST VIRGINIA STATE EXPORTS





- West Virginia recorded goods exports totaling $1.3 billion in 1996, up 35 percent ($336 million) from 1992. During 1996, West Virginia was the 41st largest state exporter of goods.

- West Virginia's jobs supported by goods exports grew an estimated 13 percent (1,811 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, West Virginia exports accounted for 26.2 percent of its manufacturing output and represented 20.2 percent of its total manufacturing employment.

- West Virginia exports of manufactured products were up by 47 percent between 1993 and 1996 (from $596.0 million in 1993 to $877.9 million in 1996).

- The five largest manufacturing sectors in terms of West Virginia's exports were: Chemical Products ($301.3 million of exports in 1996), Primary Metals ($232.2 million), Industrial Machinery and Computers ($79.6 million), Transportation Equipment ($65.8) and Lumber and Wood Products ($47.9 million). These five sectors accounted for 56 percent of the state's total exports in 1996.

- Among West Virginia's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Stone, Clay and Glass Products	$6.8	$34.1	400%
Transportation Equipment	27.5	65.8	139
Primary Metals	124.0	232.2	87
Chemical Products	249.2	301.3	21

- West Virginia is the country's 44th largest agricultural exporting state, shipping $33 million in agricultural exports abroad in FY 1996.

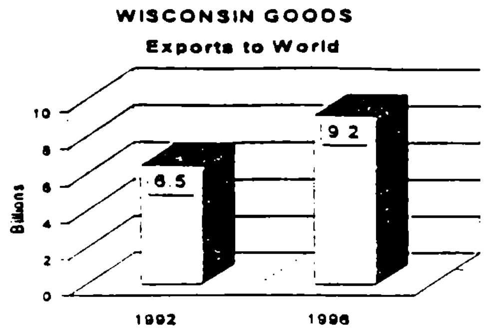
- Total exports from West Virginia to NAFTA countries increased by 24 percent between 1993 (pre-NAFTA) and 1996 (from $341.0 million in 1993 to $421.3 million in 1996). During 1996, Canada was West Virginia's largest export market, while Mexico was West Virginia's 14th largest export market. Exports to Canada were up by 26 percent ($83 million), from $317.1 million in 1993 to $399.9 million in 1996. West Virginia's exports to Mexico were down by 10 percent ($2.2 million), to $21.4 million in 1996.

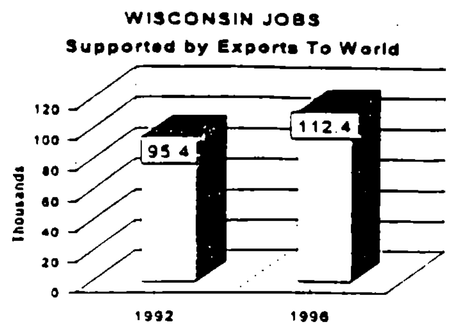
- During 1996, Japan was West Virginia's second largest export market. Total exports from West Virginia to Japan were up 128 percent ($65 million), from $51.0 million in 1993 to $116.4 million in 1996.

- Total exports from West Virginia to the European Union were up 124 percent ($249 million), from $201.3 million in 1993 to $450.4 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

WISCONSIN STATE EXPORTS





- Wisconsin recorded goods exports totaling \$9.2 billion in 1996, up 41 percent (\$2.7 billion) from 1992. During 1996, Wisconsin was the 21st largest state exporter of goods.

- Wisconsin's jobs supported by goods exports grew an estimated 18 percent (16,956 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Wisconsin exports accounted for 16.2 percent of its manufacturing output and represented 17.3 percent of its total manufacturing employment.

- Wisconsin exports of manufactured products were up by 40 percent between 1993 and 1996 (from \$6.3 billion in 1993 to \$8.8 billion in 1996).

- The five largest manufacturing sectors in terms of Wisconsin's exports were: Industrial Machinery and Computers (\$3.4 billion of exports in 1996), Scientific and Measuring Instruments (\$1.3 billion), Electronic and Electric Equipment (\$812.8 million), Transportation Equipment (\$521.7 million), and Metal Products (\$451.3 million). These five sectors accounted for 71 percent of the state's total exports in 1996.

- Among Wisconsin's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Scientific and Measuring Instruments	\$730.6	\$1,308.7	79%
Food Products	250.9	421.1	68
Electronic and Electric Equipment	554.2	812.8	47
Industrial Machinery and Computers	2,381.2	3,441.2	45

- Wisconsin is the country's 14th largest agricultural exporting state, shipping \$1.4 million in agricultural exports abroad or 2.3% of the U.S. total in FY 1996. The largest export categories, feed grains, vegetables, and dairy products, accounted for 62 percent of Wisconsin's agricultural exports in FY 1996.

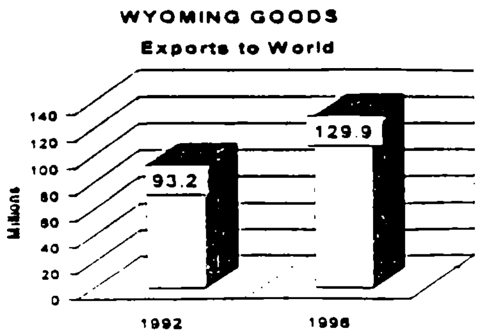
- Total exports from Wisconsin to NAFTA countries increased by 24 percent between 1993 (pre-NAFTA) and 1996 (from \$2.7 billion in 1993 to \$3.3 billion in 1996). During 1996, Canada was Wisconsin's largest export market, while Mexico was Wisconsin's fifth largest export market. Exports to Canada were up by 24 percent (\$575 million), from \$2.4 billion in 1993 to \$2.9 billion in 1996. Wisconsin's exports to Mexico were up by 21 percent (\$66 million), from \$314.4 million in 1993 to \$380.4 million in 1996.

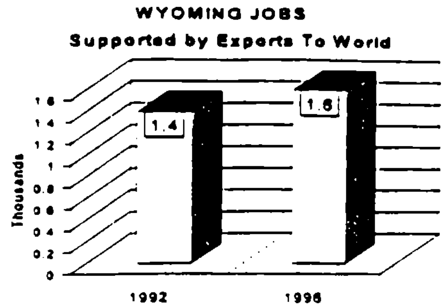
- During 1996, Japan was Wisconsin's second largest export market. Total exports from Wisconsin to Japan were up 130 percent (\$403 million), from \$309.7 million in 1993 to \$712.9 million in 1996.

- Total exports from Wisconsin to the European Union were up 37 percent (\$608 million), from \$1.6 billion in 1993 to \$2.2 billion in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic Research, U.S. Commerce Dept., and the U.S. Agriculture Dept.

WYOMING STATE EXPORTS





- Wyoming recorded goods exports totaling $129.9 million in 1996, up 40 percent ($36.8 million) from 1992. During 1996, Wyoming was the smallest state exporter of goods.

- Wyoming's jobs supported by goods exports grew an estimated 17 percent (227 jobs) since 1992. Export-related jobs pay 13 to 16 percent higher than the national average.

- In 1991, the latest year available, Wyoming's exports accounted for 13.3 percent of its manufacturing output and represented 14.3 percent of its total manufacturing employment.

- Wyoming's exports of manufactured products were up by 29 percent between 1993 and 1996 (from $82.4 billion in 1993 to $105.9 billion in 1996).

- The five largest manufacturing sectors in terms of Wyoming's exports were: Industrial Machinery and Computers ($25.0 million of exports in 1996), Chemical Products ($25.0 million), Food Products ($15.0 million), Transportation Equipment ($11.3 million) and Scientific and Measuring Instruments ($8.6 million). These five sectors accounted for 65 percent of the state's total exports in 1996.

- Among Wyoming's fastest growing manufactured exports (in millions) were:

Sector	1993	1996	Change %
Food Products	$3.7	$15.0	301%
Transportation Equipment	6.1	11.3	85
Chemical Products	16.0	25.0	57
Scientific and Measuring Instruments	5.7	8.6	50

- Wyoming is the country's 41st largest agricultural exporting state, shipping $46 million in agricultural exports abroad in FY 1996.

- Total exports from Wyoming to NAFTA countries increased by 58 percent between 1993 (pre-NAFTA) and 1996 (from $48.8 million in 1993 to $77.1 million in 1996). During 1996, Canada was Wyoming's largest export market, while Mexico was Wyoming's fourth largest export market. Exports to Canada were up by 68 percent ($30 million), from $43.7 million in 1993 to $73.5 million in 1996. Wyoming's exports to Mexico were down by 28 percent ($1.4 million), from $5.1 million in 1993 to $3.7 million in 1996.

- During 1996, Japan was Wyoming's second largest state export market. Total exports from Wyoming to Japan were up 294 percent ($13.9 million), from $4.7 million in 1993 to $18.6 million in 1996.

- Total exports from Wyoming to the European Union were up 30 percent ($4.3 million), from $14.1 million in 1993 to $18.4 million in 1996.

Sources: USTR based on data from the Massachusetts Institute of Social and Economic and Social Research, U S Commerce Dept., and the U S Agriculture Dept

SOURCES

Material contained in this packet was prepared by the Office of the U.S. Trade Representative (USTR) and contains information from USTR, the U.S. Department of Commerce (Commerce), the U.S. Department of Agriculture (USDA), and the Massachusetts Institute of Social and Economic Research (MISER).

State trade data totals, manufacturing and specified country details are provided by MISER and are based on the exporter location series from the U.S. Census Bureau. MISER adjusts the Census' series by applying a formula to the Census' "unallocated" data, breaking down the category and assigning export values to individual states and industries within the states. As a result, all U.S. export transactions are attributed to one of the 50 states, the District of Colombia, the Virgin Islands, or Puerto Rico. The series time frame is 1993-1996. Data for overall state trade for 1992 were estimated by USTR. Comparable trade data for 1992 were estimated based on comparisons of the origin of movement state export series with the exporter location state export series for the period 1993-1995. The origin of movement state export series are available for years earlier than 1993.

Jobs supported by goods exports in 1995 and 1996 were estimated by USTR based on a 1996 Commerce analysis, *U.S. Jobs Supported by Goods and Services Exports, 1983-94*. The Commerce analysis reports jobs supported by goods and services exports through 1994. USTR estimated this series through 1996 taking into account productivity and inflation trends affecting export prices. Jobs supported by exports by states sum up to the estimated national total.

Manufacturing output and employment data accounted for by exports are from Commerce's 1991 *Exports from Manufacturing Establishments: 1990 and 1991*. These are the latest available data on this series.

Agricultural state export data are from USDA's *Foreign Agricultural Trade of the United States*. The Economic Research Service of USDA estimates export shares based primarily on a state's production share of exported commodities. State export data are presented on a fiscal year (FY) basis (October-September).