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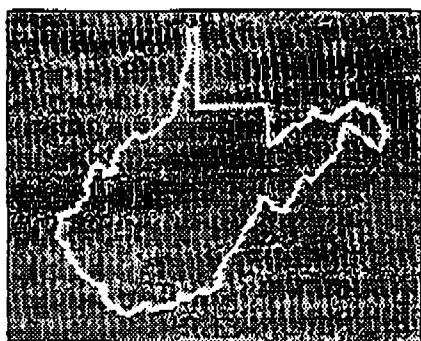
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JAY ROCKEFELLER,
U.S. SENATOR FOR WEST VIRGINIA

NEWS

WASHINGTON OFFICE, PHONE (202) 224-6472 • CHARLESTON OFFICE (304) 347-5372

FOR IMMEDIATE RELEASE

September 17, 1997

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Statement of U.S. Senator Jay Rockefeller (D-WV)
Supporting Renewal of Fast Track Authority

WASHINGTON — After reviewing the Clinton Administration's proposal on fast track authority, sent up to Capitol Hill yesterday by the White House, U.S. Senator Jay Rockefeller (D-WV) said today that he will vote to extend fast track authority to allow the United States to negotiate tough, fair trade agreements. His statement follows:

It's critical that our Presidents — this President and his successors — have the maximum leverage in negotiating trade agreement with countries around the world. There is nothing in fast track that's new: every American President since Gerald Ford has had fast track authority.

Fast track authority has simply run out, or expired. It needs to be renewed. The legislation proposed by the Clinton Administration will extend fast track authority for the next four years.

A vote on fast track authority is very different from voting on a particular trade agreement. Fast track is a mechanism, a powerful mechanism to be sure, but only a mechanism for negotiating trade agreements. It is not a trade agreement.

Through fast track authority, we can achieve agreements that expand our exports abroad and create jobs here at home — trade agreements that will lift the standard of living of workers in West Virginia and across the country.

I want to be clear: West Virginia's economic future depends on the opening of new export markets and the tough enforcement of our trade laws.

But I should also be clear that fast track authority is no guarantee of strong trade agreements. I know that. That's why in 1993, after voting for fast track authority, I voted against the North American Free Trade Agreement (NAFTA) that was negotiated through fast track authority.

At the end of the day, I concluded that NAFTA would cost West Virginia jobs, because there weren't sufficient protections for industries heavily represented in my home state.

But it's also possible — and I believe more likely — that fast track authority will allow the United States to negotiate trade agreements that — on balance — are good for West Virginia and good for our country.

And that's what motivates me in this debate: I don't want to jeopardize — for West Virginia or for the rest of the country — the promise of expanded trade, the opportunities that come for our people from strong, fair agreements.

Only by assuring our trading partners that trade agreements they negotiate with the United States will not be rewritten by Congress will we be able to get them to sit down and hammer out meaningful, binding agreements.

The fast track debate isn't about the balance of power between Congress and the Executive Branch. It's about giving the United States the power to negotiate strong trade agreements.

- more -

Rockefeller, page 2

I want to make two points about the actual legislative language provided by the White House. First, I'm pleased that the Administration has chosen to include some protections that would level the playing field for American workers and American companies in the areas of labor and the environment.

Second, there are important "consultation" provisions in the legislation that assure Congress will play an appropriate role during trade negotiations. This will allow me to use my position on the Finance Committee to fight for West Virginia in every trade agreement negotiated through fast track authority.

I have spent a good part of the last 20 years working to expand West Virginia's trade and investment relationships with Japan, Taiwan and countries around the world.

I have brought delegations of CEOs, business leaders, investors and others to West Virginia to see firsthand what West Virginia has to offer as a trading partner and as a site for direct investment. I have visited their countries, businesses, cities and towns. Slowly, but steadily, we have built a trust that has led to trading partnerships.

The more I have worked in this area, the more convinced I am that trade, more than ever before, is the future. Breakthroughs in communications technology, the Internet and the power of computers have all helped to bring the world closer together.

Doing business with someone 9,000 miles away once seemed unthinkable. Today, it is entirely natural and, in fact, necessary.

Every day, West Virginia is proving it can compete successfully in the global economy. Anchored by a skilled and dedicated workforce, West Virginia's exports have increased by \$336 million or 35 percent since 1992. This increase in exports created 1,811 jobs in our state. In the critical manufacturing sector, West Virginia exports increased 47 percent between 1993 and 1996.

My objective with fast track and my criteria for judging any trade agreement that follows is clear: Will it improve the standard of living of West Virginia and U.S. workers? We need to give U.S. trade negotiators the authority and the bargaining power to negotiate tough trade agreements that can meet that standard.

That's what fast track does, and that's why I will vote to renew it.

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Congress of the United States
House of Representatives
Washington, DC 20515

FOR IMMEDIATE RELEASE
September 16, 1997

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**LATINO MEMBERS OF CONGRESS DISAPPOINTED IN PRESIDENT'S
PROPOSED FAST TRACK BILL**

After meeting with President Clinton and Vice-President Gore, four members of Congress today announced their disappointment with the President's proposed fast track legislation. In reviewing the President's proposal, the House members cited the glaring absence of enforceable labor, environmental and human rights provisions as the basis for their dissatisfaction with his trade legislation.

Congressman Esteban E. Torres (D-CA) said, "over the past three years, I have closely monitored the President's implementation of the NAFTA agreement. In a nutshell, I am deeply disappointed. Unfortunately, the President has not effectively implemented NAFTA provisions intended to clean-up the U.S.-Mexico border, as well as retrain and employ displaced U.S. workers. As a result, far too many Americans have suffered.

"We have advised President Clinton that enforceable labor, environmental and human rights standards must be included as core elements in his fast track legislation, and that outstanding issues of NAFTA implementation must be resolved. But it has become abundantly clear to me that the President has not heeded our recommendations," stated Torres.

"For some time now, I have advised President Clinton that fast track legislation without labor, environmental and human rights standards would be dead on arrival to Capitol Hill. Repeating the mistakes of NAFTA is unacceptable. I call on the president to rethink his proposal," said Congresswoman Nydia Velasquez (D-NY).

Congressman Ciro Rodriguez (D-TX) stated, "based on the President's proposed legislation, I would have great difficulty supporting his request for fast track authority. To the people of Texas, it is critically important that the President take into consideration their concerns. Thus far, in both the implementation of NAFTA and in his proposed fast track legislation, he has not done so."

Congresswoman Loretta Sanchez (D-CA) remarked, "NAFTA's greatest impact has been on working women. This language does nothing to lessen my concerns that future agreements will include substantive programs to effectively deal with the impact on women and working families."

On July 16, 1997, 14 Latino Members of Congress wrote to President Clinton, outlining their concerns about issues of NAFTA implementation and fast track negotiating authority.

NEWS

ATTENTION:

**CONGRESSMAN
GEORGE
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STATEMENT BY CONGRESSMAN GEORGE MILLER ON RENEWAL OF FAST TRACK AUTHORITY

September 16, 1997

Today, the American people and the Congress are again being called upon to embrace a trade policy that is bad for working families, bad for the environment, and bad for America. Three quarters of the American people polled want environmental standards included in future trade agreements, and they are absolutely right.

When we debated NAFTA in 1993, we were told this wouldn't happen. But the legacy of NAFTA is not just free trade, but congestion, pollution and contamination. We were fooled in 1993; we should not get burned in 1997.

Let's take a look at the record.

- Since NAFTA went into effect, the number of *maquiladoras* factories along the U.S./Mexico border has increased by 20%, and with them, an exponential increase in border pollution of air and water -- resources we share with Mexico.
- The number of workers living in poor environmental and sanitary conditions on both sides of the border has increased by 50%.
- Millions of gallons of raw sewage are dumped into the Rio Grande every day. Neither the increasingly profitable corporations nor the Mexican or U.S. governments have invested in an overdue cleanup.
- Far from moving to increase its environmental standards, Mexico in 1995 stopped required environmental impact assessments for investments in highly polluting sectors such as petrochemicals, refining, fertilizers, and steel. Our own Administration refuses to conduct environmental impact assessments of trade agreements under the National Environmental Policy Act.

Based on this abysmal record, why should we give the President unconditional authority to negotiate a similar deal with Chile?

Fast track authority would extend this indifference to the environment to future trade agreements as well.

- As a result of our participation in the World Trade Organization and its predecessor, the GATT, the U.S. has lost challenges both to our dolphin protection law and to the Clean Air Act that resulted in the weakening of those hard-won, democratically enacted laws.
- We are currently defending provisions of the Endangered Species Act before another trade tribunal behind closed doors in Geneva.

All of these challenges were brought by other nations who wanted to force us to weaken our own environmental protection laws which they characterized as "barriers to free trade."

Let's be clear: this is what we were told would not happen, **could** not happen, under "free trade agreements. Which U.S. law will be challenged next as a "barrier to free trade"? Human rights?



FOR IMMEDIATE RELEASE
September 17, 1997

CONTACT: LARRY NEAL 202 224 0704

FAST-TRACK PROPOSAL "TOTALLY UNACCEPTABLE"
Statement of U.S. Sen. Phil Gramm, Senate Finance Committee Hearing

"FAST TRACK IS AN EXTRAORDINARY POWER THAT WE HAVE DECIDED TO GIVE THE PRESIDENT, BUT WE HAVE GIVEN IT FOR ONE SPECIFIC PURPOSE AND THAT IS TO PROMOTE TRADE AND OPEN MARKETS. UNDER FAST TRACK WE GIVE UP OUR RIGHT TO UNLIMITED DEBATE, OUR RIGHT TO DELIBERATIVE CONSIDERATION, AND WE DO IT FOR A LOGICAL REASON, BECAUSE YOU CANNOT NEGOTIATE A TRADE AGREEMENT ON TARIFFS AND QUOTAS WHERE THERE IS GIVE AND TAKE AND ULTIMATELY A DEAL IS CUT, AND THEN HAVE CONGRESS COME BACK IN AND UNDO THAT AGREEMENT BY MAKING CHANGES. I UNDERSTAND THAT AND I SUPPORT IT.

"LET ME ALSO SAY THAT I DO NOT BELIEVE THAT THERE IS A MEMBER OF CONGRESS THAT HAS A STRONGER RECORD ON TRADE THAN I DO. I HAVE ALWAYS SUPPORTED FREE TRADE. I OPPOSED AN IMPORT FEE ON OIL IN THE MIDDLE OF AN OIL COLLAPSE IN MY STATE WHICH WAS VERY UNPOPULAR. IT GOT ME LABELED THE 'THIRD SENATOR FROM MASSACHUSETTS' OF ALL PLACES BECAUSE I AM IN FAVOR OF FREE TRADE.

"NOW HAVING SAID THAT, LET ME MAKE IT CLEAR THAT I WILL NEVER VOTE TO LIMIT MY ABILITY OR ANY OTHER SENATOR'S ABILITY TO AMEND AN AGREEMENT THAT HAS TO DO WITH INTERNATIONAL LABOR STANDARDS. I WILL NEVER GRANT FAST-TRACK AUTHORITY TO THIS PRESIDENT THAT WOULD ALLOW HIM TO NEGOTIATE, IN ESSENCE, INTERNATIONAL TREATIES ON ENVIRONMENTAL MATTERS AND LIMIT OUR ABILITY TO AMEND OR FULLY DEBATE THESE ISSUES.

"AS I READ YOUR PROPOSAL, IT IS TOTALLY AND ABSOLUTELY UNACCEPTABLE. IT WILL NEVER BE APPROVED BY THE UNITED STATES SENATE AS IT IS WRITTEN.

"NOW, I DO NOT KNOW WHO WROTE IT AND FOR WHAT PURPOSE THEY WROTE IT, BUT IT LOOKS LIKE A POLITICAL DOCUMENT AND NOT AN ECONOMIC DOCUMENT. THE PROVISION 5 ON PAGE 2 IS TOTALLY AND ABSOLUTELY UNACCEPTABLE -- IT WOULD GIVE THE PRESIDENT LICENSE TO NEGOTIATE AGREEMENTS THAT WOULD IMPOSE LABOR STANDARDS IN THE U.S., NOT JUST AROUND THE WORLD, AND HE COULD BRING SUCH AN AGREEMENT TO THE FLOOR OF THE SENATE AND HOUSE WITHOUT OUR HAVING ANY ABILITY TO AMEND IT WHATSOEVER. THIS BILL GIVES THE PRESIDENT THE ABILITY UNDER CODE WORDS LIKE 'SUSTAINABLE GROWTH' TO SET LIMITS THAT WOULD HAVE THE EFFECT OF DOMESTIC LAW IN IMPOSING CONSTRAINTS ON AMERICAN INDUSTRY AND AGRICULTURE, WHERE WE WOULD HAVE NO ABILITY TO AMEND SUCH A PROVISION. I DON'T KNOW WHAT YOU MEAN BY THE PHRASE 'TRADE-RELATED' AND IT IS OBVIOUS THAT YOU DON'T EITHER. IF BY TRADE-RELATED YOU MEAN IT EXPANDS TRADE, THEN THAT IS A TOTALLY DIFFERENT ARGUMENT, BUT OBVIOUSLY SOMETHING THAT REDUCES TRADE IS 'TRADE-RELATED,' TOO.

"I THINK IT AN OUTRAGE THAT THE WHOLE WORLD IS EXPANDING TRADE AND WE ARE SITTING ON THE SIDELINES BECAUSE THREE YEARS AGO THE PRESIDENT DECIDED THAT RATHER THAN TO ADDRESS THESE ISSUES, HE WOULD LET FAST TRACK DIE. BUT I WOULD RATHER THAT THE U.S. SIT ON THE SIDELINES THAN TO SEE US DESTROY THE WORLD TRADING PROCESS BY INJECTING INTO IT LABOR AND ENVIRONMENTAL CONDITIONS THAT WILL DISRUPT TRADE AND REDUCE THE VOLUME OF TRADE IN THE WORLD.

"I SIMPLY WANT TO SAY THIS -- I THINK WE ARE OFF TO A BAD START HERE. THE WAY YOUR BILL IS WRITTEN, THERE IS NO POSSIBILITY THAT I COULD SUPPORT IT AND I INTEND TO VIGOROUSLY OPPOSE IT IN ITS CURRENT FORM.

"I THINK WHAT WE NEED TO DO IS GO BACK TO THE 1988 AGREEMENT -- AND I THINK WHAT WE NEED FROM THE 1988 AGREEMENT ARE BASICALLY TWO THINGS. FIRST, THE TECHNICAL CHANGES THAT YOU NEED BECAUSE OF THE CHANGE IN CIRCUMSTANCES IN LAW SINCE 1988. SECONDLY, WE DO HAVE A PROBLEM HERE THAT WE HAVE NEVER HAD BEFORE. NO PRESIDENT HAS EVER SUGGESTED THAT THEY WOULD INCLUDE LABOR AND ENVIRONMENTAL ISSUES IN A FREE TRADE AGREEMENT -- THAT IS TOTALLY NEW.

"I WOULD RATHER HAVE WORLD TRADE GO ON WITHOUT US THAN TO HAVE US, IN ESSENCE, CORRODE THE WHOLE PROCESS. THIS BILL COULD CLEARLY LEAD TO A DISRUPTION IN TRADE, A DECREASE IN VOLUME OF TRADE, AND CLEARLY COULD ALLOW THE PRESIDENT TO UNILATERALLY BYPASS THE WHOLE CONSTITUTIONAL PROCESS OF AMENDING AND DEBATE, AND CHANGE DOMESTIC LAW AS PART OF AN INTERNATIONAL TRADE AGREEMENT. WE ARE GOING TO HAVE TO BE PROTECTED FROM THESE THINGS.

"FINAL POINT, IF THE PRESIDENT WANTS TO NEGOTIATE INTERNATIONAL LABOR AGREEMENTS, GREAT! BUT LET HIM NEGOTIATE THEM AND BRING THEM TO CONGRESS AND GIVE US THE OPPORTUNITY TO HAVE DUE DELIBERATION AND TO AMEND THEM. IF THE PRESIDENT WANTS TO NEGOTIATE INTERNATIONAL ENVIRONMENTAL TREATIES, GREAT! BUT THEY OUGHT TO BE DEALT WITH AS TREATIES. THEY REQUIRE SUPER-MAJORITY VOTES AND I DON'T BELIEVE WE CAN, IN FULFILLING OUR CONSTITUTIONAL RESPONSIBILITY, GIVE THE PRESIDENT THE POWER TO DO ALL OF THESE THINGS IN THE NAME OF TRADE WHEN THE PLAIN TRUTH IS THAT THEY ARE TRADE DISRUPTING, NOT TRADE CREATING."

WEDNESDAY, SEPTEMBER 17, 1997

ceedings and was followed by **House Minority Leader Gephardt**, who called for a civil discussion before introducing the vice president. Gore and then Clinton laid out their case for fast track authority, noting that strong exports were a vital part of the growing economy. After Clinton spoke, sources present at the meeting said, **Rep. Marcy Kaptur**, D-Ohio, launched the question and answer period with an dramatic attack on the president. "She was out of control. She dressed the president down," one source said. "She accused the president of leaving the common people out in the cold, and asked him how the American people could trust him after NAFTA." She said NAFTA had not delivered on the promises the administration used to sell it. Next, sources said, Kaptur produced a letter to Clinton from a Missouri woman whom Kaptur said had lost her job as a result of NAFTA.

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The administration officials said that legislation related to tobacco should in-

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National Journal

Trade

Continued from Page 1

Kaptur complained that the woman had sent the letter twice and received only formal, computer-generated responses from the White House. Even the woman's attempt to e-mail Clinton produced no satisfactory reply, Kaptur complained.

Clinton became red in the face and began gesturing angrily, sources said, telling Kaptur that he had himself answered twice as much mail as former President Bush, with less staff.

However, he pledged personally to answer the letter, which was then delivered by Kaptur to Commerce Secretary Daley, who was sitting behind Clinton, and who promptly gave it to White House Chief of Staff Erskine Bowles.

After Kaptur, approximately a dozen other members made far less confrontational statements, though several also expressed strong sentiments.

Discussion mainly focused on the two most controversial topics surrounding fast track — the environment and workers rights — which the president's proposal indicates can be negotiated if they are "directly related" to trade.

House Ways and Means Trade Subcommittee ranking member Robert Matsui, D-Calif., who has been leading the administration's fast track effort at the Ways and Means Committee, said that hearings on the fast track legislation would center in part on the definition of "directly related."

The administration plans an extremely vigorous effort in coming weeks to sell the proposal to Congress and the public, with several Cabinet secretaries — including Secretary of State Albright — prepared to visit the Hill, a White House source said.

Commerce Secretary Daley told *CongressDaily* that he will deliver a speech on fast track today in Chicago.

Meanwhile, before the administration meeting, top Democratic leaders blasted Clinton's fast track trade ne-

gotiating authority as a "step backwards" and warned it will further the exploitation of workers and environmental degradation they say has resulted from NAFTA.

Gephardt and Minority Whip Bonior Tuesday emerged from an hour-long party caucus with chart-sized photos of what they called "sub-human" living conditions in Juarez, Mexico to buttress their argument that fast track authority should have included stronger language on labor conditions and environmental standards.

They contend the administration's proposal only links protections for agricultural products, intellectual property and capital investment to the agreement itself.

The environmental and labor issues appear to be conditioned in a way which they fear will leave the U.S. without the means or the will to insist other countries uphold high standards.

"In my view this proposal is unacceptable," Gephardt said. "It sends the wrong signal to the world community about what our priorities and standards in trade should be."

Bonior rattled off concerns such as illegal drugs and contaminated food crossing the border and stagnant wages to explain his position that the proposal is a "fast track to the past."

"I'm for fast track if it is done right," Gephardt insisted. "I'm for free trade treaties because I believe free trade ... can be a force for progress."

Despite this, Gephardt conceded that he and like-minded colleagues had not drafted an alternative package.

"We have not gotten to that point but we are considering doing it and may very well do it," Gephardt said.

Immediately following the comments from the two leaders, Matsui insisted the proposal "had nothing to do with NAFTA."

"This is about giving the president the authority he needs to negotiate with the rest of the world," Matsui said.

Matsui defended Clinton as having "gone out of his way to reach a mid-point" to accommodate the many views held by his colleagues and of-

fered some candid thoughts about Democrats who oppose fast track authority.

"It's unthinkable, frankly, that Democrats would not give a Democratic president the kind of authority he needs." Nonetheless, Matsui predicted "there would be a majority in the end."

Rep. Richard Neal, D-Mass., who also serves on the Ways and Means Trade Subcommittee, observed that the president probably failed to change any one's mind in the caucus and predicted that many members would decide how they would vote based on their district considerations.

Earlier Tuesday, Matsui told reporters, "I'm very confident we'll win this." He added, "I'm very confident that we'll have significant votes on a bipartisan basis."

Matsui declined to specify the number of current Democratic supporters, noting that a large number of House Democrats did not decide their position on NAFTA until the last minute.

Matsui said he would expect "discussions" about side issues to take place as votes are sought, adding he would not rule out the types of side deals that were struck as the Clinton administration sought support for NAFTA.

Matsui said language added to the legislation will "give adequate protection" to workers, consumers and the general public.

Other administration defenders included **Reps. Ellen Tauscher, D-Calif., Calvin Dooley, D-Calif., and James Moran, D-Va.**

Tauscher said the administration in its proposal paid attention to issues recently raised by Democrats. "We have a better bill than we had last week," she said.

Dooley said he believes farming interests will be pleased with agriculture language in the legislation. "It's going to be enough to satisfy the vast majority of our agricultural constituents," he said.

And Moran said it is "beyond comprehension" how Democrats could vote against giving a Democratic president trade authority they were willing to give

U.S. DEPARTMENT OF STATE
Office of the Spokesman

For Immediate Release
97/69

September 18, 1997

Address by Secretary of State Madeleine K. Albright
Before the Institute for International Economics
Willard Inter-Continental Hotel
Washington, D.C.
September 18, 1997

"INTERNATIONAL ECONOMIC LEADERSHIP: KEEPING AMERICA
ON THE RIGHT TRACK FOR THE TWENTY-FIRST CENTURY"

SECRETARY ALBRIGHT: Thank you very much, Pete. Before I begin, I do have a very brief statement to make about a tragedy that occurred early today in Cairo.

Terrorists launched a grenade attack against a tourist bus in the downtown of the Egyptian capital, reportedly killing nine and injuring dozens more.

On behalf of the United States Government, I condemn this cowardly act of terrorism in the strongest possible terms. I offer our prayers and our condolences to the families of those who were killed or injured in this barbarous attack and to the governments of Egypt and Germany.

We must never give in to terror. The United States supports President Mubarak in his efforts to prevent terrorism in Egypt and to oppose it everywhere around the world.

I do, in fact, have a speech today on fast track and the global economy. And I, in fact, can begin a speech with some pleasantries. But before I do that, I would like to take as my text, The Wall Street Journal this morning.

It says, headline, "In Backyard of the US, Europe Gains Ground in Trade Diplomacy, South America is Hot Market for EU-Made Goods." Then it says, "While Uncle Sam sleeps, Europe is mounting a silent invasion. Combining savvy deal-making with velvet diplomacy, the European Union is angling to convert its thriving trade ties with South America into a full geo-political partnership. There is no guarantee that this trans-Atlantic bid for influence will succeed. But Europe is emerging as a potential spoiler in President Clinton's latest push to revive a long-stalled plan to create a common market extending the length of the Western Hemisphere."

"Whether Mercosur tilts toward Europe or the US may be decided by the hot debate over President Clinton's request for 'fast track' authority to negotiate trade pacts. If Congress

rejects his plan, South America could be indefinitely ceded to the Europeans. 'No fast track -- no concrete negotiations,' says Jose Batafogo Goncalves, the Brazilian Foreign Ministry's subsecretary general of commerce."

That was not written by my speechwriter. So it's a good way to begin today.

I would like to thank you both, Dick and Pete, for your kind words and for all you have done over the years to build American prosperity and extend American influence. I thank both the American Business Conference and the Institute for International Economics for participating in and arranging this event. And I am grateful that so many of you could be here. It's wonderful to see many friends in the audience.

This morning, I would like to discuss with you a goal that is at the heart of America's international economic and foreign policy. That goal is to take advantage of the empowering evolution in technology and trade to bring the world closer together around basic principles of democracy, open markets, law and a commitment to peace. By so doing, we can ensure that our economy will continue to grow, our workers will have access to better jobs, and our leadership will be felt wherever U.S. interests are at stake.

We will also fuel an expanding global economy that is creating new opportunities for people on every continent. And we will give more countries a stake in the international system, thereby denying nourishment to the forces of extremist violence that feed on deprivation across our planet.

We begin with the understanding that in an increasingly integrated global economy, the quest for prosperity is the opposite of a zero-sum game. "Beggar thy neighbor" doesn't work; "prosper with thy neighbor" does.

Second, the driving force behind economic growth is openness -- open markets, open investment, open communications and open trade. This is fundamental. Protectionism is an economic poison pill. We cannot expect to gain access to new markets elsewhere if we put a padlock on our own.

Third, when we make progress on the international economic front, we make progress on all fronts. A world that is busy growing will be less prone to conflict and more likely to cooperate. Nations that have embraced economic reform are more likely to move ahead with political reform. And as history informs us, prosperity is a parent to peace.

Finally, if we are to lead effectively abroad, we must maintain a consensus here at home for that leadership. Our political leaders must approach the issue of trade on a nonpartisan basis. Our policymakers must make the case for international engagement persuasively, repeatedly and in language a non-economist, such as myself, can understand. And our business community can help by emphasizing to its employees and to the public the benefits that accrue from an open global economy.

In this connection, I happened to notice a recent article in The Wall Street Journal -- I do read it every day -- about a businessman in the Midwest who started trading internationally only to find that his workers had begun to worry about their jobs. So he decided to raise a flag outside his company every time a sale to a new country was made. Soon, he was flying the banners of more than a dozen nations -- each flag representing an additional market for the firm's goods and additional income for its employees.

The bottom line is that it will require a team effort to sustain a consensus for American leadership in the economy of the future. The President and I and the Administration's entire economic team are prepared to do our part. And we count on you to do yours.

The message inherent in those flags and the message that we must all do our best to get across is that movement towards a more integrated global economy is not a choice or an option; it is a fact of life. Integration is fueled by technology which is driven by knowledge which has no reverse gear.

This means that, more and more, what happens anywhere will matter everywhere. Whether the anywhere is the financial markets of Southeast Asia, the croplands of Latin America, or the factory floors of Europe, developments there will be felt here, by US workers, farmers, investors, and businesspeople. Because we are a global power with interests and connections on every continent, we have a vital stake in creating and sustaining the conditions for global prosperity.

It is true that the accelerated tempo of change that results from globalization has its downsides. Some industries expand, but others contract, as we move toward higher and higher value-added industries. Our consumers benefit and our overall economy grows. But it is no consolation to a worker displaced by foreign competition to know that he or she is part of a global phenomenon.

Still, the best course for our nation is not to curse globalization, but to shape it, to make it work for America. It would be foolish to get up from the table and leave the game to others, for we are competing very, very well.

With leadership from the White House and bipartisan support on Capitol Hill, we have put our fiscal house in order. More U.S. jobs were created during the first Clinton Administration than in any other Administration in history. And because of the genius and enterprise of our people, we have the most competitive economy and most productive workforce in the world. To maintain our edge, we must continue sound fiscal policies that drive deficits down and keep interest rates low.

And we must invest in our people by striving for excellence in the classroom and by ensuring that our workers enter the 21st century with 21st century skills. On the global chessboard, we want more and more of our citizens equipped to be bishops or knights, rather than pawns. That is why we're lifting educational standards nationwide and investing in training as never before.

9/18/97

Finally, we must use our diplomatic tools to sustain momentum towards an increasingly open and fair system of global investment and trade.

Consider that trade accounts for twice as much of our economic activity as it did a quarter-century ago, and has fueled the remarkable period of sustained economic growth we have enjoyed these past 5 years. Today, 11-12 million American jobs are supported by exports and this number is rising rapidly. And these are good jobs, paying on the average 13% more than others.

Since President Clinton took office, we have negotiated more than 200 trade agreements, including NAFTA and the Uruguay Round. We have forged historic commitments to achieve free trade and investment across the Asia-Pacific through APEC and across the Americas through the Miami Summit process. We are working to expand our economic ties with the European Union through the Transatlantic Business Dialogue and in Africa through our proposed Partnership for Economic Growth and Opportunity.

We have also been doing everything we possibly can to ensure that agreements made are agreements kept. Like Secretary Christopher, I have made it clear to our diplomats that one of their principal jobs is to see that the rights of American companies are respected and their opportunities enhanced. Whenever I travel abroad, I make it a point to meet with the American Chamber of Commerce where I am, in order to talk about our common interests. To that end also, our trade negotiators are making full use of every available enforcement tool, including a strengthened WTO.

We do not intend to stop here. We are determined, as President Clinton has said, to keep growing our economy. That is why we have asked Congress to renew the Executive's traditional fast-track negotiating authority this fall.

The President needs this authority to negotiate smart new agreements that will break down barriers to American exports, create better jobs, and raise our standard of living. With that authority, the President can pursue free trade with Chile, a free trade area for the Americas, and new market access agreements in the Asia-Pacific. We can also work towards agreements to open up whole new sectors of the global economy in fields where our nation is highly competitive. These agreements work to our advantage because our tariffs are currently lower than those of other countries.

For example, we are preparing to negotiate a further opening in agricultural markets. Our farmers are by far the world's most productive. They help feed the world. But they do so despite tariffs on U.S. products that in some cases are as high as 100%. They also confront many non-tariff barriers. In gaining access to this \$500 billion a year market, we want a level playing field for American agriculture. But to get it, we need fast track.

During the next quarter-century, the world will invest trillions of dollars, yen, marks, francs, and other currencies in the infrastructure of a modern economy. They will pour

money into sectors such as energy, information systems, and environmental technology. We want to open these sectors to free and fair trade. But to do so, we need fast track.

We want to protect our intellectual property and stop the rip-off of billions of dollars worth of American products illegally copied every year. But to make that happen, we need fast track.

Latin America is a market of half a billion people. Their incomes are rising and they buy what we sell. More than 40% of the region's imports come from the U.S. Even though Latin tariffs average four times our own, we would like to negotiate agreements that push their tariffs down and lift our exports up. But for that to happen, we need fast track.

We know that sectoral agreements benefit the United States. Last year's information technology agreement will produce an estimated \$5 billion reduction in tariffs on American computers and related equipment. In Colorado, where I grew up, we would call that a tax cut. Where I live now, we would call that five billion good reasons why restoring traditional negotiating authority deserves bipartisan support.

As economists and businesspeople, you know that if we fail to participate in shaping the global trading system, we will, nevertheless, be shaped by it. Earth is, after all, the only globe we have, and only one out of every 20 of the world's consumers live on our share of it.

If we choose to hide behind walls rather than tear them down, our products will face higher tariffs; our services will be harder to sell; our businesses will find it more difficult to win contracts; our economy will create fewer jobs; and because we are absent from the bargaining table, we will have no success at all in promoting higher environmental and labor standards.

Whatever we decide, others will move forward. Since 1992, in Latin America and Asia alone, our competitors have negotiated more than 20 free-trade pacts that exclude the United States. Some of our leading trade partners have reached agreements that will vastly expand trade among themselves. As supporters of economic integration and trade, we should be on the inside shaping these agreements, not on the outside looking in.

Fast track is an essential and proven tool of diplomatic leadership. Until it lapsed 3 years ago, it was an instrument every President for the past two decades has had and has used to the benefit of the United States. It does not in any way detract from the constitutional authority of Congress to approve trade agreements. In fact, the legislation that has just been submitted by the Administration includes language that would make Congress a full partner in setting our trade objectives and our priorities.

What fast track does is assure our trading partners that there will be an up or down vote on any deals we strike and that those deals will not be unraveled provision by provision. Our partners argue that this is the only sensible way to conduct business; and they are

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right. Without fast track, America will find itself alone. With fast track, America can lead.

This matters because of the economic dividends that well-designed trade agreements generate. But fast track is about more than dollars and cents; it's a foreign policy imperative. It is indispensable to U.S. economic leadership, and that leadership is indispensable to US influence around the globe.

America's prestige is not divisible. If we want our views and interests respected, we cannot sit on the sidelines with a towel over our heads while others make the trade and investment plays that will determine the economic standings of the 21st century.

In many capitals, if we have nothing to say on trade, we will find it harder to have productive discussions on other issues of direct importance to American interests. In contrast, strong economic ties can be a foundation for cooperation across the board.

In the Asia-Pacific, our efforts to expand investment and trade have helped to deepen understanding among our partners of their shared stake in security.

In Europe, economic integration is a major contributor to our strategic goal of a continent that is becoming -- for the first time in history -- wholly united, wholly at peace, and fully free.

In Latin America and the Caribbean, our initiatives on trade are a vital part of a larger process of cooperation that includes working together to fight narcotics trafficking, crime, pollution, illegal immigration, and other threats to the well-being of our citizens.

For decades during the Cold War, we Americans spread the gospel of competition, free trade, free enterprise, and open markets. Today, people and governments everywhere are converting to this faith. But make no mistake, they will be watching the fast-track debate closely to see whether we continue to practice what we have so long preached.

That is why, as Secretary of State, I will do everything I possibly can to persuade members of Congress to be true to America's own philosophy, to say yes to restoring the President's traditional negotiating authority, and yes to continuing American prosperity at home and leadership abroad.

Of course, fast track and trade are not the only economic tools we use to help create an international system that is more open, democratic, and respectful of the rule of law.

For example, China is seeking to enter the World Trade Organization. We are negotiating with Beijing to ensure that it does so only under commercially viable rules that would require it to end unfair trade barriers, enforce trade laws uniformly, and use WTO procedures to settle disputes.

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We are using our foreign assistance program -- modest as it is -- to enlarge the circle of market democracies by helping newly free nations to create a better climate for investment, curb corruption, and reduce crime.

We are using our economic aid to make the benefits of lasting peace more tangible for people in the Middle East, Bosnia, and Northern Ireland.

And we are relying on you, the American business community, to help spread the word from Manila to Moscow to Maputo to Mexico City that the path so many countries have chosen -- the path of openness, participation and integration -- is the right path for the 21st century.

The connections we make through increased investment and trade complement our efforts to spur development and prevent conflict. As we encourage reform, expand markets, and forge new agreements, we give more and more nations an equity interest in peace. In this way, shared prosperity yields the golden dividend of shared security.

Despite this, there are many in our own country and overseas who oppose or resist the trend towards a more integrated world economy. They disregard its role as a great stabilizer in international affairs and focus instead on the fear that globalization will put downward pressure on wages and reward employers who cut corners on working conditions and environmental protection.

These are serious concerns that must be addressed seriously if we are to maintain a consensus in favor of free trade and open markets in the United States and around the world.

To do so, we must remember that opening the world economy is not an end, but a means. Our purpose is not simply to increase the volume of global commerce; it is to improve the quality of peoples' lives. The evidence is clear, however, that globalization is not lowering standards around the world; it is raising them. Open economies are more likely to lift people out of poverty than economies that are stagnant and closed.

It is no accident that as East Asian nations have reformed their economies during the last quarter century, the percentage of their citizens who are poor has plummeted, and large, educated middle classes have emerged. This, in turn, has created new pressures for decent wages, environmental protection, and greater democracy. A similar trend is gathering steam in Latin America.

These trends will continue to spread as more nations embrace economic reform. The World Bank estimates that, during the next decade, developing countries will grow collectively at an annual rate of more than 5% -- double the pace of the 1980s. Growth is expected in every region, including Africa, where the continent's best new leaders have embraced policies designed to help private enterprise take hold.

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As the world's economies grow, a variety of tools will be available to shape that growth in socially constructive ways.

For example, the fast track legislation submitted by the Administration reflects the President's commitment to promote workers' rights and responsible environmental protection.

It is vital to bear in mind, however, that trade is but one very limited instrument for promoting higher environmental and labor standards. The Administration can -- and is -- pursuing these goals through other avenues such as the International Labor Organization, the WTO, the international banks, the Commission on Sustainable Development, and the Montreal Protocol. Also important are the initiatives that consumers and businesses can take.

Last spring, the President personally invited business, labor, and other NGOs to come together around an apparel industry initiative that will bring "no sweat" garments and footwear to America from workplaces that are monitored overseas. Similar labeling initiatives make it possible for consumers to purchase South Asian rugs and soccer balls and know that these products were not made with child labor.

It is also encouraging to see the competition that has begun in many segments of American industry for bragging rights about which company has done the most to help the environment, improve working conditions or train employees. This competition is good for our friends overseas; it advances the goals of U.S. foreign policy; it helps us here at home; and it is a trend that consumers welcome and will reward.

The pursuit of free trade places a responsibility on the business community to conduct itself in a way that preserves the consensus for free trade. And I am certain that most Americans would agree that profits should come from inspiration and perspiration, not exploitation.

For more than half a century, the United States has played the leading role within the international system, not as sole arbiter of right and wrong -- for that is a responsibility widely shared -- but as pathfinder; as the nation able to show the way when others cannot.

Our predecessors had the foresight to forge alliances such as NATO, institutions such as the World Bank, and initiatives such as the Marshall Plan to defend freedom and build prosperity. They did so on a bipartisan basis.

Today, under President Clinton, we are constructing a new framework to address the challenges of our time, based on principles that will endure for all time.

In so doing, we are heeding the lessons of this century that economic strength is essential to national strength; that open markets are essential to prosperity, which is a friend to

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security; that there can be no progress without the rule of law; and that problems abroad, if left unattended, will all too often come home to America.

We look out upon a world no longer held back and driven apart by divisions between east and west and north and south -- a world in which the benefits of the international system are open to every nation able to accept its responsibilities and willing to play by its rules. We anticipate a tomorrow not without danger or free from disappointment; but we also see an opportunity we must seize -- an opportunity to create a future liberated by freedom of thought, empowered by freedom of enterprise; a future of greater promise and possibility than any generation has known.

America is not a slow-track society. Although tempted at times to rest, we cannot stand still, nor can we merely move. Like the great explorers of half a millennium ago, we must embark upon a new Age of Discovery.

We must strive not merely to stay afloat, but rather raise our sails high and catch the propelling winds of change at their fullest. And with economic and political liberty as the North Star by which we navigate, we must chart a course to the far horizon so that we may disembark in the new century free and respected, prosperous, and at peace.

Thank you very much.

(Applause)

MR. SYRON: We all want to thank the Secretary of State for that extraordinary lucid description of the context of this debate about fast-track authority and its importance to all of us, and the importance of the context to all of us. One is struck about the tragic irony that could ensue, with the United States having become the one world military and political super-power, which would relegate itself to the status of an also-ran or secondary power, economically, because many of the things that the Secretary talked about were not to be brought to fruition.

The Secretary has kindly agreed that she will take three questions. So we will go forth and do that. Let's have the first question right here.

Q Could you share your thoughts on what might be the consequence to the United States should the Canadian -- should the Quebec population vote for separation from Canada?

(Laughter)

SECRETARY ALBRIGHT: Well, I think that we have found it very useful and good, in terms of our relationships with Canada, to have a united Canada. I think it's not appropriate for us to interfere in Canadian domestic affairs. But I do think that we have an exceptionally good relationship with Canada, as it is.

MR. SYRON: I think we'd prefer to take questions that relate directly to the issue at hand.

(Laughter)

And you're also not quoting the odds on the next presidential election?

SECRETARY ALBRIGHT: No.

MR. SYRON: Sir.

Q Madame Secretary, how do you put the sanctions against some countries of the world in the same line that you explained excellently to us today?

SECRETARY ALBRIGHT: Well, thank you for asking that question, because I think it's a very important component of this.

I believe that the United States has global responsibilities, as I stated in my remarks. And I think that those include trying to assure that the world – the nations of the world and the peoples of the world are able to prosper into the 21st century, which means that we need some kind of a tool to deal with rogue states – those who, for one reason or another, do not feel that they should cooperate with the rules that have been established by other nations of the world.

I think that while sanctions may be an imperfect tool in many ways, it is a useful tool. What we try to do when we have sanctions imposed on a nation is to deal in some way with the problems caused for the people.

If I might just actually take that question to give you a short-hand version of how I have seen the world divided in terms of groups of countries. My previous job was at the United Nations, and when I got there, there were 183 countries. There are now 185. And I tried for myself, being a professor, to establish some kind of conceptual basis to what I was seeing. So I thought that perhaps there were kind of four different groups of countries.

The largest group are those that understand that it is important to have some kind of rules of the game within the international system; that understand the value of working together. That is the largest group. We may not agree with the governments in all those groups – in that group. But generally, there is an agreement about the importance of abiding by international systems.

The second group was basically the countries transitioning to democracy that wanted very much to be a part of the first group but did not yet have all the institutional structures to do that.

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The third group of countries was the rogue states, who not only did not want to be a part of the first group, but deliberately were doing everything they could to undermine it.

The fourth group was the so-called failed states that for some reason or another were basically eating their own seed grain.

The purpose of what we see in the 21st century is to ultimately move everybody into that first group. That is the long-term vision that has to exist. Those countries -- the rogues -- against whom we use sanctions, is our attempt to make clear that their behavior is such that it has to change in order to be part of the first group.

MR. SYRON: We'll take one last question on trade and trade agreements.

Q I would like to -- (inaudible) -- diplomatic and economic efforts by the United States in supporting the women in the developing countries. Thank you.

SECRETARY ALBRIGHT: Well, obviously we have a whole program in terms of trying to support development for women throughout the world -- more than half the population -- and determining the fact that many countries, in fact, are dependent on the labor of women in order to move forward in their economic development.

Portions of our aid program are related in this way, certain aspects of bank programs. I made a statement earlier in my tenure about the importance of placing economic opportunities for women and political opportunities for women as central to our foreign policy, because women are the underpinning of so much that goes on in the world.

I thank you very much for asking that question.

MR. SYRON: One last question.

SECRETARY ALBRIGHT: Okay, to make up for the Quebec question?

(Laughter)

Okay, go ahead.

Q Madame Secretary, you will be accompanying President Clinton down to South America shortly, and visiting one of our most important trading partners in that region in Brazil.

We've long had a very important, though ambiguous, relationship with Brazil. I wondered if you could comment on what we need to do to strengthen our trade

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investment ties with that country to ensure that we can pursue the initiatives that you talked about in the Western Hemisphere.

SECRETARY ALBRIGHT: Well, I think there's no doubt about the importance of our relationship with Brazil, and the fact that the President is going to make that one of his stops underlines that.

I think that it is essential for us to develop a variety of steps and pass fast track. I think that the point here is that we need to make sure that the markets are open and that we're able to negotiate a series of agreements with them and work with them very closely.

I have spent a lot of time on diplomatic relations with Brazil. We see it as a keystone within the Latin American system. And I think, as I quoted from The Wall Street Journal that our ability to really negotiate with Brazil is in many ways dependent on us being at the table and being integral to what is going on in Latin America.

But the truth is that it isn't just Brazil. What the President wants is to work towards a free trade area in Latin America by 2005. We have a summit next year. It's very important for us to be in the right place and for us to play a leading role.

I felt, when I was in New York and also now that I have my job as Secretary of State, that we have such a natural affinity. There has to be the solidarity of the Americas. I feel that it is essential that we do everything we can to build that relationship, and then to make sure that the solidarity of the Americas is translated to greater interaction with other parts of the world.

What I think would be difficult to live with at the moment is if, in fact, we do create various regional economic partnerships, and that those then turn inward rather than turning outward; that the regional partnerships that we're now developing in many ways are akin to the security pacts that we had at the end of the Second World War. They are basically the building blocks that were for a secure system in terms of military strength.

We now need to develop the economic building blocks for a secure economic system. So it builds good relationships with Brazil, then moving on to larger relationships within Latin America, and then making sure that all those blocks integrate with each other and that the U.S. remains true to our principle -- which is that open markets are the best for the American people. And the American people need for us to have fast track and to be able to lead the way in shaping the new global environment.

Thank you.

(Applause)



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

MEMBER

September 19, 1997

MEMORANDUM FOR VICTORIA RADD, OFFICE OF THE CHIEF OF STAFF
DAN TARULLO, NATIONAL ECONOMIC COUNCIL

FROM:

JEFF FRANKEL

DF

SUBJECT:

Publication of Two Books of Mine on Regional
Trading Arrangements

This note is by way of a "heads up" to those working on fast-track.

Well before I came to the government last September, I edited a conference volume on behalf of the National Bureau of Economic Research, and wrote another book to be published by the Institute for International Economics. Both books are on the subject of FTAs and other regional trading arrangements. Both, by coincidence are coming out within the next few weeks: The NBER book is imminent, and the IIE book is expected to be released in mid-October.

I don't anticipate any problem. Both are intended to be scholarly, though the IIE book makes some policy recommendations in the last chapter. (I had Lael look at them for problems in July 1996.) The overall drift is consistent with Administration policy. Neither book mentions fast-track, so far as I can recall.

I have begged off of the usual author release dinner that the IIE holds, in light of my current position. But IIE books can get inside-Washington publicity (as is Bergsten's goal!). For this reason, and in light of the political sensitivity of fast-track, I thought I should offer due warning. Please let me know if you would like more information.

cc: Jason Berman, Chief of Staff's Office
Tony Blinken, NSC
Lael Brainard, NEC

Congress of the United States
House of Representatives
Office of the Democratic Leader
Washington, DC 20515-6537

September 16, 1997

Dear Colleague:

This afternoon President Clinton transmitted his fast-track proposal to Congress. I believe that the proposal is deficient — it fails to build a bridge to the future. It sends the wrong signal to the world trading community about what our goals and objectives in international trade should be.

My staff prepared a preliminary analysis of the President's proposal, a copy of which I have attached.

I would welcome the opportunity to discuss this important issue with you.

Sincerely,

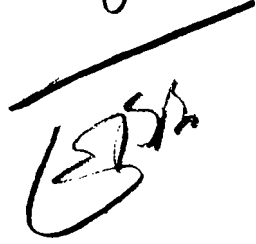


Richard A. Gephardt
Democratic Leader

Gene }
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Analysis of President Clinton's Fast Track Authority
September 16, 1997

► **President Clinton's request for fast track authority is a step backwards.**

It's actually worse than the fast track authority President Bush received. In analyzing similar language, the Congressional Research Service stated:

"The language in the bill contrasts with the previous fast-track authorization, which provided for fast-track consideration of provisions that are 'necessary and appropriate' to the President's discretion to negotiate trade agreements that include areas that are not specified in the fast-track authorization. The purpose of the proposed changes was to limit the President's discretion to negotiate trade agreements that include areas that are not specified in the fast-track authorization."

The President's request does not include an objective requiring that labor and environmental provisions be included in the core of future trade agreements with the ability to enforce these provisions as any other trade issue.

► **The President's proposal moves the consideration of labor and environmental issues, as part of the trade debate, to the World Trade Organization.**

No fast track authority is included, under the President's proposal, to deal with these issues in bilateral, regional or other trade agreements. And, it's important to note, no real action has occurred on these issues at the WTO despite preexisting legal authority for the U.S. to proceed.

► **President Clinton's request would preclude NAFTA's side agreements from being included in future trade agreements and from receiving fast track consideration.** The President's request precludes improving upon NAFTA's ineffective labor and environmental side agreements and does not allow these improvements considered under the fast track.

► **President Clinton's request fails to deal with important trade issues.** Food safety, drugs, and worker retraining are not mentioned in the principal negotiating objectives. And, the principal negotiating objectives in prior law for "trade and monetary coordination" was in fact eliminated.

► **President's Clinton's request no longer includes the objective of addressing unfair trade practices.** Prior fast track authority has included this important objective. It was eliminated as a specific principal negotiating objective in the authority President Clinton has requested.



For Immediate Release:
September 16, 1997

Contact: Barry Rogstad
(202) 822-9300

Business Group Comments on Fast Track Legislation

Commenting upon the Clinton Administration's issuance of draft fast-track trade negotiating authority, Richard Syron, Chairman of the American Business Conference (ABC) said:

"ABC members congratulate the President for proposing fast-track legislation and for his determination to work in a bipartisan manner to secure its enactment. We are not unmindful of the political pressures on the President and congratulate him for his courage.

"Since the beginning of the Clinton Administration, exports have accounted for one-fourth of the increase in our Gross Domestic Product. Expanding upon that growth depends directly upon our ability to expand upon our trade opportunities. That will take new trade-opening negotiations. Fast-track authority is an essential precondition for the President to enter into new negotiations.

"Protectionist forces in this country have made clear their intention to defeat this new fast-track legislation. We believe they are wrong in their outlook, and wrong in their goal. ABC members will fight them just as hard as we can."

The American Business Conference is a Washington-based coalition of chief executives of fast-growing, midsize American companies. ABC members advocate policies to promote economic growth and a higher standard of living for all Americans.

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SALOMON INC

SEVEN WORLD TRADE CENTER, NEW YORK, NEW YORK 10048 212 783-7000

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Victoria Harmon (212) 783-6293

SALOMON INC SUPPORTS ADMINISTRATION'S FAST TRACK LEGISLATION

Chairman and CEO Robert E. Denham Urges Timely Bipartisan Approval of the Legislation

NEW YORK, September 16, 1997 - Salomon Inc Chairman and CEO Robert E. Denham lauds the Administration's Fast Track trade legislation submitted to Congress today and urges Congress to pass the legislation that would grant the executive branch multilateral trade negotiating authority.

Mr. Denham, who testified before the House Ways and Means Committee on the benefits of international trade to the United States earlier this year stated, "Fast Track authority is crucial to the Administration's efforts to further the progress made in the international trade arena. The United States must continue to lead the global effort towards the liberalization of trade-distorting practices - practices that only harm U.S. workers, jobs and consumers.

He continued, "The continued growth, expansion and ability of U.S. workers and companies to compete throughout the world requires new free trade commitments to achieve a level playing field in the global marketplace. Fast Track authority is imperative to continue the momentum."

Robert E. Denham is one of three U.S. representatives to the APEC Business Advisory Council, appointed to that position by President Clinton. ABAC is comprised of senior business leaders from the APEC economies reporting to the Asia-Pacific Economic Cooperation forum.

Salomon Inc is the parent company of Salomon Brothers and Phibro. Salomon Brothers, which has offices in 34 offices on five continents, makes markets in securities and provides a broad range of underwriting, research, financial advisory and investment management services to governments, corporations, and institutional investors. Phibro is one of the world's leading commodity trading organizations.

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For Immediate Release:

September 16, 1997

Contact: *Beth Barr* Media/Govt. Affairs Coordinator or
David D'Onofrio, Director of Govt. & Public Affairs –
 202/293-8830

NSBU supports Fast Track Authority

Free-trade means boom for small business

Washington, D.C. – National Small Business United (NSBU), the nation's oldest bipartisan small business advocacy organization announces its support of Fast Track trade legislation. According to NSBU President **Todd McCracken**, the passage of Fast Track is more important now than ever before. "In the ever-expanding global market, small businesses have been thrust into a very competitive arena. Fast Track Authority will help to expedite crucial trade negotiations that will benefit small business exporters, the American economy and American jobs."

While the Constitution authorizes the President to negotiate international agreements, he must submit any treaties to Congress that require changes in domestic laws. The process requires that Congress vote up or down on a trade agreement but without the option to amend. This accelerates what could otherwise prove a lengthy process.

"As the number of small business exporters escalates, small business owners, and the 22 million Americans they employ, stand to gain the most from Fast Track," reported McCracken. "By breaking down the complex trade barriers that hinder American small business expansion into the international market, we are fostering substantial economic growth within our own country."

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NSBU President Todd McCracken is available for addition comment.

NSBU was first organized in 1937. As the nation's oldest bipartisan small business advocacy group, NSBU represents the interests of the 22+ million small businesses. With more than 65,000 members in all 50 states, NSBU has a powerful national network of small business leaders. NSBU celebrates its 60th Anniversary in 1997.



Record Type: Record

To: Jason Berman/WHO/EOP, Victoria Radd/WHO/EOP
cc: David T. Johnson/NSC/EOP
Subject: Statement re: fast track

The fast track statement below was released by the press office to the White House reporters in DC and Palo Alto. The regional press office targeted Colorado news organizations and we faxed it to Rep. Skaggs' office for their distribution.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 19, 1997

STATEMENT BY THE PRESS SECRETARY

The President commends Rep. David E. Skaggs (D-CO) for his decision to support fast track legislation. Under pressure from those opposed to the legislation, Congressman Skaggs' decision shows great leadership. It will improve the prospect of securing the authority the President needs to expand opportunities for Colorado's workers, farmers, and businesses.

Support for fast track is the right decision for America's future: it is a choice to empower the United States to continue to lead the global economy, to open markets, to break down trade barriers, and to improve worker rights and environmental protection worldwide.

The President looks forward to working with Congressman Skaggs to secure the authority America needs to lead the world into the 21st Century.

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N E W S R E L E A S E



U.S. SENATOR JOE LIEBERMAN CONNECTICUT

FOR RELEASE

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Home Page: <http://www.senate.gov/~lieberman/> Email: senator_lieberman@lieberman.senate.gov

September 16, 1997

SPECIAL ATTENTION:

Trade/Fast-Track Authority

Lieberman Favors Renewal of Fast-Track Trade Negotiating Authority for the President; Good for U.S., Good for Connecticut

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Restoration of expedited congressional approval process would promote free,
fair and balanced trade, American competitiveness in the global marketplace

Washington, DC - American workers and companies would benefit from legislation proposed to Congress today by President Clinton to restore fast-track trade negotiating authority for international agreements, Senator Joseph I. Lieberman said this afternoon.

Fast-track authority, which expired in 1994, allows the President to negotiate trade agreements knowing that those agreements would receive speedy consideration and an up-or-down vote in Congress.

"We are on the brink of a new and welcome revolution in the world economy, and the United States must not risk being late to the negotiating table or from the signing ceremonies as these opportunities for economic growth are created through trade," Lieberman said.

"Expanding international trade is critical to the future in the American economy. It is how American jobs will be created. It is where American ideals and interests will be reinforced in emergent private sectors. Free, fair and balanced trade agreements are in our national interest and, I believe, in the interests of our economic security. If the United States doesn't take advantage of new markets and new consumers, we can be certain that other nations will.

"It was a mistake to allow fast-track authority to lapse in the first place. We denied the President the ability to negotiate trade agreements with both sides knowing that speedy congressional consideration would follow. In just 25 years, from 1970 to 1995, the impact of international trade on the American economy grew from 13 percent to 30 percent of our Gross Domestic Product. American exports account for 11.3 million jobs and 9 percent of our workforce. Those numbers will continue to rise, and so will the number of job opportunities lost if we dawdle.

"In Connecticut, for example, manufacturing exports created more than 70,000 jobs directly and 56,000 jobs indirectly just last year. Our state's trade with the Pacific Rim has tripled in 10 years and has more than doubled with Latin America. Fast-track authority will help the President negotiate new agreements with such rapidly growing regions of the world as Latin America and Asia Pacific. And for those concerned with labor and environmental conditions with our trading partners, as I am, I believe the best way to raise standards around the world is to build stronger, deeper links between our country and emerging free-enterprisemarkets. I'm pleased to see the Administration supports this in its legislation.

"Fast-track is smart. The President's legislation is balanced with safeguards. We should debate it soon. We should support it enthusiastically," Lieberman concluded.



United States
of America

Senator John Breaux

Democrat-Louisiana

Contact: Bette Phelan, Laine Clisson, 202-224-4623; Bob Mann, 504-382-2050

FOR IMMEDIATE RELEASE

September 18, 1997

BREAUX LENDS SUPPORT TO FAST TRACK TRADE LEGISLATION

WASHINGTON (Sept. 18) -- Sen. John Breaux (D-La.), a member of the Senate Finance Committee now considering fast track trade legislation, issued the following statement today in support of quick passage of this long-over due negotiating authority:

"Fast track authority is critical for the United States to continue to negotiate good international trade agreements. Contrary to recent statements by some of my colleagues, I believe the Clinton Administration's proposal is a very good starting point that we, in the Congress, can use to craft a bipartisan bill that the President can sign into law before the year's end.

"We know that good trade agreements mean increased export sales, more U.S. jobs and increased port activity. And we know that if the United States is to maintain its world leadership and a strong national economy, we must continue to work toward fair and expanded trade opportunities around the world.

"The right kind of fast track legislation will ensure the Congress has more effective input and control over trade negotiations and trade agreements have a greater focus on fairness and reciprocity. Legitimate labor and environmental issues also must be addressed in some fashion to reflect credible concerns by a substantial number of Americans."

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Supporting Trade Negotiating Authority

Remarks of Senator Max Baucus
U.S. Senate

September 19, 1997

Mr. President:

I rise to discuss the Administration's request for new trade negotiating authority.

Now, any discussion of trade policy should begin not with talk about new agreements. It should begin with a review of the basic facts, and of what we need to change in the international trade system to create jobs, raise wages, guarantee fairness and create opportunities for Americans.

THE BASIC FACTS

So let's first look at the facts. We are enjoying what will soon be the longest period of economic growth in our history. Since 1992, our economy has grown from \$6.5 to \$8 trillion dollars. Inflation has fallen to 2%. We have added a net gain of more than 12 million jobs. And while from 1986 to 1993 real wages fell every year, since 1994 real wages have risen every year.

A lot of things go into that record. Research and development by companies and the government. Deficit reduction from \$290 billion in 1992 to \$36 billion before the recent budget agreement. Improved competitiveness. Most of all, hard work and sacrifice by ordinary people.

But our trade policy in the past four years deserves some credit as well. Since 1993, Ambassador Mickey Kantor and now Ambassador Barshefsky, along with their staffs, have worked very hard, stood up for our workers and farmers, and achieved a great deal. And the result has been a nearly 50% jump in exports, from just over \$600 billion in 1992 to nearly \$900 billion this year.

FAR FROM FINISHED

That is a good record. But the work is far from finished. Foreign countries routinely discriminate against our farm products. We can do more in high technology, where our telecommunications, computer hardware, and software firms are tremendously competitive. Subsidies and state trading companies in foreign countries distort trade tremendously. And our trade deficit remains unacceptably high. So we need to keep working to fix these things.

NEED FOR NEGOTIATING AUTHORITY

And the Administration needs trade negotiating authority to do it. Granting negotiating authority -- I do not call it "fast track," because there is nothing fast about it -- is a big step for Congress, but it is the right step. The fact is, big trade agreements are like base closing agreements. The best possible trade agreement will ask many different interests to give up a tariff, subsidy or other form of protection in exchange for an agreement that will help the entire country.

So I believe the Senate should approve a trade negotiating authority bill. And the one proposed yesterday by the Administration is, I believe, a good start. It sets five general trade policy objectives: increasing market access; reducing barriers to trade; strengthening international trade rules; fostering economic growth and full employment; and addressing labor, environmental and other areas directly related to trade.

More specifically, the draft sets the following priorities:

- reducing tariff and non-tariff barriers;
- opening markets to services;
- protecting intellectual property;
- ensuring more transparency in international dispute settlement, which is extremely important to me;
- winning fairer investment rules, so countries no longer can force technology transfer or impose export requirements;
- opening markets in agriculture. I am especially pleased by the inclusion of a specific negotiating objective of opening foreign markets to American farm products. The bill devotes appropriate attention to the problems we have with state trading enterprises like the Boards which control grain trade in many of our trade competitors.
- Finally, promoting internationally recognized labor standards and environmentally sustainable development.

LABOR AND THE ENVIRONMENT

Let me talk briefly about this last issue. This has become a source of controversy for reasons that I don't quite understand.

Since 1947 we have concluded five rounds of GATT. More recently, we have passed three so-called "Free Trade Agreements," the Information Technology Agreement, the Agreement on

Basic Telecommunications and hundreds of other sectoral and bilateral agreements on trade issues. As a result, tariffs are lower, quotas have shrunk in number and scope, and other formal trade barriers have diminished.

As these agreements go into effect, we quite logically find that other policies — intellectual property enforcement, anti-trust policy, subsidies, rule of law, transparency, technical standards, government procurement, labor regulations and environmental law enforcement all have some impact on trade.

Our trade policy should deal with these issues, and it does. Intellectual property is a top priority, as well it should be. Government procurement and subsidies are as well. To rule out labor and environmental standards is simply to make an arbitrary, ideological judgment that these are almost the only forms of policy whose trade effects we will refuse to recognize.

That does not mean treating them the same in all trade agreements. The trade agreement with Mexico, for example, was a unique case. There we negotiated an agreement with a developing country, with which we shared a long border and in which we had existing experience with a free trade arrangement -- the maquiladora program -- which had created very obvious and serious labor and environmental problems. So in my opinion, that agreement required pretty strict labor and environmental side agreements.

That is not necessarily true in all other agreements. We should look them over case by case. Some very important agreements authorized by this negotiating authority bill — for example, agreements on services, intellectual property and state trading companies in agriculture — probably don't require labor and environmental provisions at all. But it is simply wrong and unfair to American workers and companies to say that we should never consider these issues. And I believe that on the whole, the Administration proposal strikes a reasonable balance by calling for negotiations on labor and environmental issues directly related to trade.

IMPROVING EXISTING AGREEMENTS

In one area, however, I think the proposal needs some additions.

That is, I consider it at least as important to enforce and improve existing trade agreements as to negotiate new ones. We now have a wide and complex web of agreements. Some work well. Others do not. Still others are bad agreements that ought to be improved or redone.

Let me offer an example. Ambassador Barshefsky recently scored a major success by opening Canada's market to our barley. That is a very good thing; but it also shows that NAFTA and the US-Canada Free Trade Agreement are not perfect. They can be improved, and they should be. Likewise, the Uruguay Round should have eliminated Japan's tariffs on wood products, but did not.

Thus I think we should also include language that reflects the importance of enforcing existing agreements and improving the ones we already have. And I hope to work with the Administration to include such language.

NEGOTIATING AUTHORITY VS. AGREEMENTS

Finally, we should not confuse negotiating authority with actual agreements. By passing trade negotiating authority, we do not sign blank checks. I expect that the Congress and the public will be fully consulted as we decide which agreements to pursue,; and then as we negotiate those agreements. And we have the right to disapprove trade agreements that do not meet the standards they should. So by endorsing new negotiating authority, I do not promise support for any particular agreement.

To sum up, the country needs a tough and aggressive trade policy in the years to come. And the President needs negotiating authority for that policy. I support the effort and I hope the Senate will do so as well.

PHIL GRAMM
TEXAS

United States Senate
WASHINGTON, D. C. 20510-4302

September 18, 1997

The Honorable Charlene Barshefsky
U.S. Trade Representative
Winder Building 600
17th Street, NW
Washington, DC 20508

Dear Madame Ambassador:

As a follow-up to our hearing yesterday, I wanted to make a proposal for inclusion in a rewrite of the fast track bill.

Yesterday you said, "The administration does not intend that fast track would be used to amend U.S. labor and environmental laws." I propose that we include in a rewrite of the 1988 bill the following language: "Nothing in this bill shall be construed as empowering the President to include any provision in any bill that will be submitted under the fast track process which alters U.S. labor or environmental laws. Such a provision, if submitted, shall be deemed as non-germane and any motion to override such a ruling shall require a 60% vote."

I believe this simple provision, which conforms to your stated intention, would be an important clarification to the bill. I hope we can move ahead quickly on rewriting the 1988 bill, and I can assure you that I get no happiness out of seeing protectionists rejoice at my opposition to your current proposal.

Yours respectfully,



PHIL GRAMM
United States Senator

September 22, 1997

MEMORANDUM

TO: Gene Sperling
Victoria Radd

FROM: Eric Biel, x65370

SUBJECT: Draft Responses to Sen. Gramm Points from Andy Samet/DoL

Attached are responses drafted by Andy Samet at Labor to concerns raised by Sen. Gramm at last Wednesday's Senate Finance Committee fast track hearing. To the best of my knowledge, these have not yet been circulated to anyone else; in fact, when we spoke on Friday, Andy asked if anyone at the White House/USTR already was working on responding to Gramm and, if not, whether there was interest in seeing what he was pulling together on the ILO, etc.

Attachment

DRAFT

Q: Has the United States ratified the core ILO labor standards conventions? If not, how can it sign on to a Declaration on core labor standards?

A: It is important to understand the distinction between core labor standards and ILO international labor conventions. Core labor standards, as we are referring to them in the context of fast track discussions as well as in terms of the proposed ILO Declaration, are fundamental principles that were first enunciated in 1919 when the ILO was established and later in the historic Philadelphia Declaration of 1944. By joining the ILO and signing its Constitution, every ILO member agrees to accept and promote these principles -- the freedom of association, the right to organize and bargain collectively, the prohibition of forced and exploitative child, and non-discrimination in employment. Signing on to an ILO Declaration reaffirming these principles would not create new obligations for us. Over the decades, the ILO has also adopted specific international labor conventions that give effect to these basic principles and lay down specific obligations for their implementation in law and practice. The ILO monitors the manner and extent to which ratified conventions are applied and provides technical assistance to countries that request help in this regard. No ILO member is obliged to ratify any ILO convention.

The United States has ratified one of the ILO conventions dealing with core labor standards, No. 105 concerning the Abolition of Forced Labor (ratified in 1991). We continue to examine the possibility of ratifying others through our tripartite legal review mechanism which has been in place since 1980 to ensure that the United States will never ratify any ILO convention unless or until our law and practice -- both at the federal and state level -- are in full compliance with its provisions.

The United States has demonstrated time and again in the ILO and other fora that we believe in and promote core labor standards. Signing on to an ILO Declaration reaffirming these principles would not create new obligations for us.

Q: Would U.S. adherence to the proposed ILO Declaration mean that our right-to-work laws will be compromised?

A: Not at all. By accepting the ILO Declaration, the United States would be reaffirming its longstanding belief in and adherence to the principles relating to the fundamental rights of all working people, regardless of their countries' level of economic development. These principles are known as core labor standards. This is not the same as ratifying the specific ILO conventions dealing with freedom of association, the right to organize and collective bargaining, forced labor, child labor and non-discrimination.

In any event, ILO Convention No. 87, concerning Freedom of Association and the Right to Organize, would not preclude the 50 States from enacting right-to-work laws. According to the ILO Committee of Experts, the body which has developed the jurisprudence regarding the meaning and scope of Convention 87 since its adoption in 1948, the Convention leaves it to

DRAFT

the practice and regulations of each State to decide whether it is appropriate to guarantee the right of workers not to join a labor organization, and systems which prohibit union security practices in order to guarantee the right not to join are compatible with Convention 87.

Q: How does the ILO supervise adherence with core labor standards?

A: Most of the ILO's supervisory mechanisms are designed to monitor and promote application of ratified conventions. There are also mechanisms to evaluate application of non-binding recommendations as well as unratified conventions. The ILO's supervisory machinery works along two lines: through the regular examination of reports submitted by governments and through consideration of complaints. These so-called "regular" and "special" aspects of the machinery provide for examination by both independent experts and the tripartite constituency of the Organization. However, none of the supervisory procedures of the ILO include sanctions against a country found in violation of an ILO standard. The supervisory machinery functions strictly on the basis of the power of moral persuasion -- what has been called the "mobilization of shame."

As a result of the greater attention to core labor standards in recent years, regular reports, from both ratifying and non-ratifying countries, on these conventions are requested much more frequently than any others. It is likely that the new mechanism envisaged under the proposed ILO Declaration on core labor standards will build upon this existing mechanism.

One of the ILO's special procedures is aimed at promoting the principle of freedom of association, the core labor standard at the very heart of the functioning of the ILO. Under this procedure, complaints may be lodged against any government, whether or not it has ratified any ILO freedom of association convention, and reviewed by a tripartite committee of the ILO Governing Body. About a dozen complaints against the United States have been reviewed by the Committee on Freedom of Association since it was established in 1951. Overall, the Committee has found U.S. law and practice to be generally in conformity with ILO principles on freedom of association.

Through a combination of continuous quiet persistence and occasional political pressure, the ILO's supervisory mechanisms have proved, over the years, to be effective in raising labor law and practice to the level of internationally recognized standards. For example, since the ILO's independent Committee of Experts on the Application of Conventions and Recommendations began counting them in 1964, it has noted 2,132 cases of progress where measures have been taken by governments to make the necessary changes in their country's law or practice following a recommendation by the ILO supervisory bodies. There have also been a number of dramatic cases where ILO supervision was influential in labor law reforms, e.g., in support of Solidarity's successful efforts to democratize Poland and the fall of apartheid in South Africa.

DRAFT

Q: Is it true that the ILO has tried to stop Chile from privatizing its pension system?

A: For several years, most recently in 1995, the ILO Committee of Experts pointed out to the Chilean government that its new pension system was not in conformity with Convention No. 35 concerning Old-Age Insurance, which Chile ratified in 1935. The Experts' observations were not designed to undo privatization of Chile's pension system, but rather to assure that workers' benefits were sufficiently protected, as provided in the Convention. In 1996, the ILO decided that this convention should be set aside and that Member States should be encouraged to ratify the more up-to-date convention concerning old age insurance. The Committee of Experts' next review of Chile's application of Convention 35 in November will no doubt reflect this decision.

Social security, including old-age insurance, is not among the ILO's core labor standards and would not be covered by the proposed Declaration and new supervisory mechanism.

THE PRESIDENT HAS SEEN
9-12-97

*DB U Radd
Fyl - ~~cos~~ studies a good
subject - can't do with event -
might volunteer to help -
Be*

Free Trade in the Americas: One Hundred Years Later

A Special Report

*U Radd
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To

The President of the United States

Submitted on September 11, 1997
at Mt. Vernon, Virginia

(to be used at his discretion)

Researched and Written
by
Sharon Hathaway Forrest

Very Briefly, Sir:

Believing that it is of paramount importance that the Congressional approval of Fast Track Treaty Negotiations be acquired before your trip to South America, I wanted to share with you the crux of my master's thesis research.

Here it is:

In the late 1890's and early 1900's there was a movement in Congress of Pan Americanism that generated a package of bills, the essence of which called for:

- (1) a Pan American Railway - from Canada to the tip of Argentina
- (2) a Customs Union of the Americas
- (3) duty Free Trade upon the railway
- (4) duty free materials for the construction of the railway
- (5) One Silver Coin for the Americas
- (6) a Treaty to do so

This package was driven by the railroad interests of Senator Henry G. Davis (West Virginia) and Senator S.B. Elkins, chairman of the Senate Committee on Interstate Commerce, but was backed by a very wealthy consortium of railroad

entrepreneurs. This consortium toured a group of diplomats around the United States on a well-publicized trip on the United States Railroad System. The rhetoric of the 1990's and the 1890's sounds very similar (see attached documents), however, what have we done in 100 years? The Pan American vision of Congress in the 1890's seems much more progressive than we have heard on the eve of the 21st century.

I just returned from Argentina. While there I attended a trade show at the Embassy of Brazil. From the immensity of European and Asian trade interests and the absence of U.S. trade interests there, I sincerely believe that U.S. corporations must be given the expedience of negotiations that fast track would lend to the FTAA. Time is of the essence.

I would have saved this report for the Commemorative Session of the OAS in Caracas next June, if I were to live for my own private interests, but I do not.

Please use this informative research to enhance the rhetoric of your speech on Fast Track. Your words, Sir, do have power.

I personally, Sir, would like to share my further research findings with your staff. I have supporting documents for everything mentioned here. I remain always

Your Servant,

Sharon Hathaway Forrest

witnessed the introduction of bills dealing with some phase of the subject, and it became more and more apparent that the country was not satisfied with the existing conditions affecting the contact between Latin America and the United States. Commerce with Central and South America in some one of its ramifications was the subject dealt with in almost all of this proposed legislation. Mr. Blaine's great objective, a conference devoted to the consideration of measures to secure peace, was somewhat neglected, but his supplementary policy of furthering the increase of trade received much consideration. In brief, the subjects taken up in the various bills were as follows: commissions to visit South America to study commercial conditions and the attitude of the states toward the United States,¹⁴ the attitude of Spanish America toward a North and South American railroad,¹⁵ the establishment of an American customs union,¹⁶ an arbitration conference,¹⁷ a commercial congress which should decide on questions of "mutual interest and common welfare,"¹⁸ a silver trade coin.

✓ excellent summary of Mr. Blaine's connection with the whole affair is given in A. Curtis Wilgus, "James G. Blaine and the Pan-American Movement," *Hispanic American Historical Review*, V, 662-708.

→ ¹⁴ February 8, 1883. Introduced in the Senate by Cockrell of Missouri.

→ ¹⁵ December 21, 1883. Introduced in the Senate by Sherman of Ohio. 5594

→ ¹⁶ January 7, 1884. Introduced in the House by Townshend of Illinois. H. Res 68 48th Cong

→ ¹⁷ January 26, 1886. Introduced in the House by Worthington of Illinois. Silver coinage - 3222

→ ¹⁸ February 23, 1886. Introduced in the Senate by Frye of Maine. 51616 - PS 1687

These bills were introduced at intervals, reported on adversely, killed in committee, only to be resurrected and reintroduced. In 1884 one of them, that to provide for a committee to investigate commercial conditions in South America, was actually passed, and a commission of three was sent to South America. The commissioners were William E. Curtis, S. O. Thacker, and Thomas C. Reynolds. Their report was printed and widely circulated. Finally, on January 4, 1888, a bill was introduced in the House similar to that of Senator Frye of 1886.¹⁹ It was designed "to promote the establishment of free commercial intercourse among nations of America and the Dominion of Canada by the creation of an American Customs Union or Zollverein." Before it was passed by both Houses, it was considerably modified, but its intent was the same. It provided for the calling of a conference to consider various economic and commercial problems and to formulate some scheme of arbitration. It was passed on May 10, 1888, and became a law without the signature of President Cleveland.²⁰

✓ On July 13, 1888, Secretary Bayard issued the invitation to a conference along the lines laid down by the law.²¹ It was sent to the Governments of Mexico, of the Central and South American countries, Haiti, and San Domingo. The questions to be considered by the Conference were those provided in the Act of Con-

¹⁹ See above, note 18.

²⁰ The administration had given no approval to any of the legislative attempts but at the same time had not opposed them.

²¹ *International American Conference*, I, 9-11.

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING

Letter of the Secretary of State and report of the International American Conference relative to an international railway line.

May 19, 1890.—Read, referred to the Committee on Foreign Relations, and ordered to be printed.

To the Senate and House of Representatives:

I transmit herewith a report of the International American Conference, recently in session at this Capital, recommending a survey of a line for an intercontinental line of railroad to connect the systems of North America with those of the Southern Continent, and to be conducted under the direction of a board of commissioners representing the several American Republics.

Public attention has chiefly been attracted to the subject of improved communication between the ports of the United States and those of Central and South America. The creation of new and improved shipping lines undoubtedly furnishes the readiest means of development and increased trade with the Latin-American nations. But it should not be forgotten that it is possible to travel by land from Washington to the southernmost capital of South America, and that the opening of direct communication with these friendly States will give to them the facilities for intercourse and the exchanges of trade that are of special value. The work contemplated is vast, but entirely practicable. It will be interesting to all and perhaps surprising to most of our people how much has already been done in the way of railroad construction in Mexico and South America that can be utilized as part of an intercontinental line. I do not hesitate to recommend that Congress make the very moderate appropriation for surveys suggested by the Conference, and authorize the appointment of commissioners and a staff of engineer officers to direct and conduct the necessary preliminary surveys.

BENJ. HARRISON.

3

WHITE HOUSE MANSION,

May 19, 1890.

INTERNATIONAL RAILWAY LINE
PROPOSED INTERCONTINENTAL RAILWAY.

Letter from the Secretary of State.

DEPARTMENT OF STATE,
Washington, May 12, 1890.

To the PRESIDENT:

I have the honor to submit herewith a plan for a preliminary survey for a railway line to connect the great commercial cities of the American hemisphere. No more important recommendation has come from the International American Conference, and I earnestly commend it to your attention, with full confidence that prompt action will be taken by Congress to enable this Government to participate in the promotion of the enterprise. The resolutions of the Conference are accompanied by special reports concerning the transportation facilities that already exist in the several American Republics. These reports comprise all the information that could be gathered upon this important subject, and will be found both interesting and authentic.

Under the generous and progressive policy of President Diaz the railways of Mexico have been extended southward as well as northward and toward the two oceans. The development of the Argentine system has been equally rapid. Lines of track now reach from Buenos Ayres to the northern cities of that Republic, and nearly to the Bolivian boundary. Chili has a profitable system of railroads from the mountains to the Pacific Ocean, and the completion of the tunnel that is now being pierced through the Cordilleras will bring Valparaiso within two days' travel of Buenos Ayres. In the other Republics similar enterprise has been shown. Each has its local lines of railway, and to connect them all and furnish the people of the Southern Continent the means of convenient and comfortable intercourse with their neighbors north of the Isthmus is an undertaking worthy the encouragement and co-operation of this Government. [In no other way could the Government and the people of the United States contribute so much to the development and prosperity of our sister Republic and at the same time to the expansion of our commerce.]

A very important feature of the report, to which I especially direct your attention, will be found in the international declaration that the line of the proposed railway shall be forever neutral territory; that the material necessary for the construction and operation of the road shall be admitted free of customs dues, and that its property and revenues shall be always exempt from all forms of taxation. This guaranty, having all the force of a treaty, will stimulate private and public confidence, and thus lead to the investment of capital that might otherwise be reluctant and distrustful.

It is proposed that a survey to ascertain the best and most economical routes be made under the direction of an international commission shared by the several nations of the hemi-

INTERNATIONAL RAILWAY LINE.

sphere in proportion to their respective populations. The share of the United States is estimated to be \$65,000, and I would respectfully suggest the propriety of securing from Congress an appropriation for that purpose. Three commissioners will be required to represent the United States upon the international board, and authority should be asked for the detail of officers of the Army and Navy to serve as engineers in conducting the survey.

The headquarters of the commission, by a vote of the International Conference, will be located in Washington, and it is proposed to invite the commissioners to meet here on the 1st of October next, or as soon thereafter as may be practicable, for the purpose of organization and initiating the work of the survey.

Respectfully submitted,

JAMES G. BLAINE.

of the tariff act or until the President should decide to alter them. The Secretary of State addressed a circular note to the diplomatic representatives in Washington of the countries which might be interested, calling their attention to the law and asking what changes the governments would make in their tariff regulations in order to secure the advantages offered in the McKinley Tariff.

Brazil was the first country to respond to the invitation to negotiate, and a schedule of American goods to be admitted free into Brazil was arranged and an agreement signed on February 5, 1891.⁴⁴ Other American States followed. Mr. Foster went to Cuba and Spain and was successful in negotiating agreements securing reciprocal commercial advantages. There were negotiations with the British West Indies, carried through with the consent of Great Britain. Germany became interested because of her beet sugar industry and signed a reciprocity agreement. In all, the activities of Mr. Foster and of the Secretary of State netted some twenty reciprocal trade conventions. Venezuela, Colombia, and Haiti were the only Latin American States to decline any arrangement, and President Harrison issued the proclamation imposing the prescribed duties on their "sugar, molasses, coffee, tea and hides."⁴⁵

This reciprocity movement, which had thus received

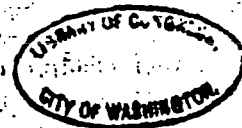
⁴⁴ "Correspondence with the Legation of Brazil at Washington," *U. S. Foreign Relations*, 1891, p. 43 ff.

⁴⁵ Foster, *Memoirs*, II, 16.

promising a start, was destined to survive only until the Democratic Congress rescinded the McKinley Act. It had proved sufficiently valuable to the Spanish American States to cause them to protest, albeit unavailingly, when the agreements came to an end.⁴⁶ Mr. Blaine had pressed long, had defied precedent, and had forced Congress to concede his point, only to have it proved that the United States had, as yet, no conception of his vision of a hemisphere welded together by bonds of common interest and knit in a commercial union.

It is in this matter of the International American Conference and its resultant reciprocity movement that there may be discerned the full measure and character of Mr. Blaine's Spanish American policy. From the viewpoint of American imperialism he lived in a period of transition, belonging as much to the age of Manifest Destiny and to the period of Seward's schemes of expansion as he did to the new movement of economic penetration in which the European nations were involved. His eagerness to further the domination of the United States in the Western Hemisphere was tempered by a sincere desire for international peace. Arbitration of all disputes between American States was a vital point in his policy. The futility and waste of the constant wars and disorders in Spanish America were ever present in his mind. In his efforts to build up trade and intercourse between the United States and its neighbors, he was expressing the most farsighted and clear-visioned thinking of his party and his period. The

⁴⁶ *Ibid.*, 17.



Pittsburg. Chamber of Commerce

LETTER OF CHAMBER OF COMMERCE OF PITTSBURGH.

CHAMBER OF COMMERCE OF PITTSBURGH,
Pittsburgh, Pa., September 2, 1889.

SIR: In reply to your communication of June 17, with inclosure referring to the International American Congress called to meet in Washington, D. C., October 2, 1889, I have the honor to transmit herewith the action taken thereon by the Chamber of Commerce of Pittsburgh.

Very respectfully yours,

[SEAL.]

S. L. MCHENRY,
Secretary.

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

INTERNATIONAL AMERICAN CONGRESS.

At a meeting of the Chamber of Commerce held this day the committee on legislation, to which was referred communication of Secretary of State James G. Blaine, with regard to the meeting of the International American Congress in Washington, October 2, 1889, to consider the following propositions:

1. Measures to promote the general prosperity of the several American States;
2. Formation of an American customs union;
3. Regular and frequent communication;
4. Uniform system of simplified customs regulations;
5. Uniform system of weights and measures, and protection of trademarks, patents, etc.;
6. The adoption of a uniform silver coinage;
7. The arbitration of all differences between American states,

made report as follows, which was unanimously approved, viz:

1st. That the objects of the congress, which are in the interest of peace and prosperity, uniformity of customs dues,

money standards, and other measures, to promote a closer union and enlarged business relations with the governments of the American continent, are deserving of highest commendation.

2d. We recommend, in order to carry out the purposes outlined as above, that foreign members of the proposed congress should be encouraged to visit the various parts of this country, and be shown, as much as possible, the extent of business and manufacturing resources in the United States, and also that a special invitation be extended from this chamber to the members to visit Pittsburgh and its surroundings.

3d. That a copy of this report be forwarded to the honorable Secretary of State in answer to his communication.

S. L. MCHENRY,
Secretary.

different republics, steps that will lead to a strict observance of hygienic and sanitary principles among residents of cities, and especially those of the great ports of the Americas. The committee recommended that the republics should take part in the international sanitary convention which is to meet in the City of Mexico in December of the present year, and suggested that specific instructions, under four heads, be given delegates to that convention. These instructions to cover—

(a) Measures that will make effective the recommendation of the conference concerning the sanitation of cities and endeavors to bring about a better observance of hygienic and sanitary principles on the part of residents of cities.

(b) The designation in each of the American republics of a commission, composed of three medical or sanitary authorities, these commissions as a whole to constitute an international informatory sanitary commission of the American republics, under the direction of the International Sanitary Office established at Washington, with power to meet and to communicate to each other data and information relative to public sanitation.

(c) The establishment in one of the South American cities (Montevideo was later fixed upon by the conference) as a center of sanitary information, which will furnish to the International Sanitary Office, already in existence at Washington, the necessary elements in order that the latter may comply with recommendations 5, 6, and 7 upon sanitary police, made by the Mexican International Conference of the American States.

(d) The establishment of working relations between the International Sanitary Office, established in Washington, and the Bureau Sanitaire Internationale, of Paris.

The text of the committee's report and the resolution adopted by the conference, together with the text of the articles in the Mexican Conference convention, referred to under (c) above, will be found under Appendices F and G, p. 129.

THE PAN-AMERICAN RAILWAY.

The permanent committee created by the Mexican Conference to carry on the work of endeavoring to secure the construction of a complete chain of railways that would form an intercontinental American line, linking together the railway systems of the United States with those of Mexico and of the Central and South American republics, presented to the conference through the United States delegation a most important and interesting report.

The conference deemed the importance of the subject such that upon the initiative of the United States delegation a special committee, consisting of one member from each of the countries through which the chain of railways pass and one delegate from Brazil, was designated to consider this report and make such recommendation as in the opinion of the committee would aid the permanent committee in its efforts.

Deep interest was taken in the report of the permanent committee, which showed a constantly increasing railway mileage in Chile, Bolivia, Peru, and Ecuador, all tending to form additional links in the chain of the proposed Pan-American system.

It will be remembered that the original route proposed for this intercontinental line was the chain of the Andes through Colombia, Ecuador, Peru, and Bolivia, the line to connect in the latter country with the extensive Argentine system, and with the Chilean system through the new line now under construction from Chile into Bolivia. It may be interesting to note here that another route has been lately suggested by railway men in South America as worthy of consideration, connecting with the Argentine system at Asuncion, Paraguay. This proposed route would pass northward wholly through the great undeveloped table-lands of Brazil to the eastward of the Andes.

The report of the special committee, to which reference has been made, provides that—

"Each republic, when giving its support to the construction of lines destined to serve local interests, should follow, as far as possible, the intercontinental route.

"That each state should organize associations of engineers to complete the plans, specifications, and estimates that shall serve to fix the amount of capital necessary to complete the construction.

"That the different states shall determine, as soon as possible, what concessions of land, subventions, interest guaranteed on invested capital, exemptions

The conference by the Mexican Conference to carry on the work of endeavoring to secure the construction of a complete chain of railways that would form an intercontinental American line, linking together the railway systems of the United States with those of Mexico and of the Central and South American republics, presented to the conference through the United States delegation a most important and interesting report.

The conference deemed the importance of the subject such that upon the initiative of the United States delegation a special committee, consisting of one member from each of the countries through which the chain of railways pass and one delegate from Brazil, was designated to consider this report and make such recommendation as in the opinion of the committee would aid the permanent committee in its efforts.

The conference deemed the importance of the subject such that upon the initiative of the United States delegation a special committee, consisting of one member from each of the countries through which the chain of railways pass and one delegate from Brazil, was designated to consider this report and make such recommendation as in the opinion of the committee would aid the permanent committee in its efforts.

The subject is therefore again before the educational institutions of our country for their consideration and such legislative action by their respective states and by our Government as may be required to enable the proposed treaty to be made effective.

When the benefits which this treaty would bring to university and college graduates of our country desiring to locate in any one of the American republics are taken into careful consideration, they would appear amply sufficient to warrant such reciprocal legislation or action on our part and between our country and the several American states as would make the plan outlined in the treaty proposed by the Mexican Conference a definite reality; but this will not be likely to take place unless the universities and colleges of our country take interest in the subject.

THE NEXT CONFERENCE.

The subject of the time and place of the next conference gave rise to considerable discussion, both in the committee and privately among delegates, a considerable number of whom desired to fix the time at which the next conference should be held, as well as the place, while others believed it inadvisable to follow that course. These discussions, as might have been expected, led to some sharply defined differences, which increased rather than decreased as the days went by. At length, however, there was entire accord with the conclusion reached by the committee, to wit, that the precedent established by the Mexican Conference, to leave the decision both as to the time and place of subsequent conferences to be determined by the governing board of the Bureau of American Republics, should be adhered to, since it was apparent to all that it might be found to be unwise to determine four or five years in advance the time and place of meeting of a conference, because circumstances might arise that would make the designation of some other point more desirable in the opinion of the governments intending to participate in the conference.

Notwithstanding this, there was, however, a general expression on the part of all delegates of the satisfaction they would feel should the governing board of the bureau when considering the subject of the next conference choose Buenos Aires as the meeting place, and it will be noted that in the preamble to the resolution concerning the subject adopted by the conference this fact is noted.

THE VISIT OF THE SECRETARY OF STATE.

The distinguishing note of the conference was the extraordinary session convened to receive the Secretary of State of the United States, Hon. Elihu Root, who, as stated earlier in this report, had been named one of the two honorary presidents of the conference.

The reception accorded the Secretary of State by the conference was one of the most notable political events that has taken place in our relations with Central and South America, and manifested the feeling of good-fellowship and sympathy that exists between the American republics. We believe the visit of the Secretary of State to South America has resulted in greater good to our relations with Central and South America than any one thing that has heretofore taken place in our diplomatic history with them.

The extraordinary honor of the conference to receive the Secretary of State was held on the evening of July 31 and was one of great brilliancy. In introducing the Secretary of State to the conference, His Excellency Dr.

cut by more than 80% -- from a record \$290 billion in 1992 to an expected \$37 billion this year.

LOUISIANA IS MOVING FORWARD WITH MORE JOBS AND TRADE

Louisiana Is Moving In The Right Direction

- **Unemployment Is Down.** The unemployment rate in Louisiana has declined from 7.6% in January 1993 to 6.3% in July 1997.
 - **Nearly 200,000 New Jobs In Louisiana.** 196,300 new jobs since 1993 -- more employment growth than the entire previous administration.
 - **Exports From Louisiana Are Up 21%.** In the first 6 months of 1997, Louisiana's goods exports were running at a rate of \$4.5 billion -- up 21% since 1992.
 - **Manufactured Exports.** Louisiana's exports of manufactured products increased 19% from \$2.4 billion to nearly \$3 billion in 1997*.
 - **Petroleum And Coal Products Are Up 120%.** Petroleum and coal product exports have increased 120% since 1993 from over \$75 million to \$165 million in 1997*-- creating more higher paying jobs for more people living in Louisiana.
- * All figures for 1997 are annualized based on exports for the first 6 months.

America Is Moving In The Right Direction; Now Is Not The Time To Turn Back

President Clinton's three part economic strategy of cutting the deficit, investing in our people through education and training and opening more markets to U.S. goods is working. Now is the time to continue that progress by renewing fast track authority to help create more jobs that pay more.

- **13 Million New Jobs.** The economy has created nearly 13 million new jobs under President Clinton. Private sector job growth rate nearly 8 times greater than during previous Administration.
- **Unemployment Rate Down To 24-Year Low.** In 1992, the unemployment rate was 7.5%. Today it is under 5% -- as low as it's been at any time in the last 24 years.

- **1.7 Million New Export-Related Jobs -- Paying On Average 15% Higher Wages.** Since President Clinton took office, the number of export-related jobs has increased by 1.7 million.
- **Family Income Up \$1,600.** After stagnating for 20 years, family incomes are rising again. Since 1993, the income of the typical American family increased by \$1,631, after adjusting for inflation.
- **Exports Are Up By Nearly 50%.** Since the beginning of 1993, exports from the U.S. have grown by nearly 50% -- up \$318 billion -- after adjusting for inflation. Exports have accounted for 38% of the overall growth in the economy since 1993.
- **Renewed Growth In Key Industries.** After a decade of enormous job losses in construction, manufacturing, and autos, these industries have made a remarkable recovery -- more than one million new jobs combined under President Clinton.
- **Smallest Deficit Among Major Economies.** Under President Clinton, the deficit has been cut by more than 80% -- from a record \$290 billion in 1992 to an expected \$37 billion this year.

MISSOURI IS MOVING FORWARD WITH MORE JOBS AND TRADE

Missouri Is Moving In The Right Direction

- **Unemployment Is Down.** The unemployment rate in Missouri has declined from 6.2% in January 1993 to 3.6% in July 1997.
- **240,000 New Jobs In Missouri.** 240,800 new jobs since 1993 -- employment growth nearly 4 times faster than the previous four years.
- **Exports From Missouri Are Up 62%.** In the first 6 months of 1997, Missouri's goods exports were running at a rate of \$7.7 billion -- up 62% since 1992. Missouri's exports of manufactured products were up by 44% from \$4.3 in 1993 billion to \$6 billion in 1997*.
- **91,000 Jobs In Missouri Are Supported By Trade.** Jobs supported by goods exports increased 30% -- up 21,000 since 1992 to 91,000 jobs in 1997*-- paying an average of 15% more than non-trade related jobs.
- **Primary Metal Exports Are Up 213%.** Primary metal exports have increased 213% since 1993 from \$101 million to over \$314 million in 1997* -- creating more higher paying jobs for more people in Missouri.
- **24,000 New Construction Jobs In Missouri.** 23,900 new construction jobs -- after falling



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<http://gnofm.org/chamber>

September 17, 1997

MEMORANDUM

TO: LINDA MOORE
WHITE HOUSE OFFICE OF POLITICAL AFFAIRS

FROM: EDIE DREW
DIRECTOR, GOVERNMENTAL AFFAIRS

RE: SEPTEMBER 24 WHITE HOUSE BRIEFING

Linda, thank you for arranging the White House briefing with members of The Chamber/New Orleans and the River Region for Wednesday September 24, 1997, 8:30 a.m. As requested, you will find enclosed the list of participants, their date of birth, social security number, company and Chamber affiliation.

I will be happy to provide any additional information you deem necessary. You may reach me by telephone at (504) 527-6938 and fax (504) 527-6970.

Thank you again for your help and I look forward to seeing you on the 24th.

→ Josh
→ Sean → 59597

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	White House Briefing; RE: Personally Identifiable Information [partial] (2 pages)	09/17/1997	b(6)

COLLECTION:

Clinton Presidential Records
Chief of Staff
Victoria Radd
OA/Box Number: 11022

FOLDER TITLE:

Miscellaneous: [Fast Track Legislation] [1]

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

P. 02

FAX NO. 504 5276970

METROVISION

SEP-11-91 WED 05:34 PM

Last	First	Ann	Title	Company	Position W/Chamber	Info
Aaron	William		Partner	Phelps, Dunbar, L.L.P.	Crimestoppers	[000]
Alexander	Gerald R.		President	Business Communications Distributors-LA, Inc	East Jefferson Government Affairs Council	
Barkley	Newton Buckner	, Jr.	President	Marrero Land & Improvement Association	Board of Directors	
Bonitatibus	Paul J.		Exec. Vice President	Hibernia National Bank in New Orleans	Campaign Captain 1997	
Coleman	Thomas B.		Managing Partner & CEO	International-Matex Tank Terminals	Chairman of the Board	
Dutcher	James		Public Affairs Manager	Cytec Industries	West Bank Executive Committee	
Emory	William Brooks		Medical Doctor	Ochsner Medical Institutions, Pulmonary Diseases	Resource Director of the Board of Directors	
Fontana	Wayne J.		Attorney at Law	Courtenay, Forstall, Guilbault, Hunter & Fontana	Chairman, Governmental Affairs Committee	
Frederick	Keith J.		Director of Business Development	Lockheed Martin	Governmental Affairs Committee	
Gayle	Robert H.	, Jr.	President & CEO	The Chamber/New Orleans & the River Region and MetroVision	President, CEO, Director of Minority Business Development	
Jearsonne	Mark J.	, Esq.	General Counsel	Radiofone		(b)(6)
Kitchen	Thomas M.		Vice President & CFO	Avondale Industries, Inc.	Board of Directors	
LeBlanc	Sam A	, III	Partner	Adams & Reese	Chairman Elect of Board	
LeBlanc	James Michael		President & CEO	Volunteers of America of Greater New Orleans		

Leger	Walter	, Jr	Partner	Leger & Mestayer	Governmental Affairs Committee, NOAPAC
Martin	Graymond F.		Executive Assistant to the Mayor	City of New Orleans Intergovernmental Relations	
McNeill	Jennie Lynn	, CMP	President, Owner	Jennie McNeill Enterprises, LLC	Small Business Council Executive Committee
Metcalf	William M.		President & Publisher	New Orleans Publishing Group, Inc.	Secretary, Executive Cabinet
Okamoto	Antoinette Jeanne		Agent	Gertrude Gardner	East Jefferson Transportation Committee
Pyner	Joseph D.		Manager of Human Resources	Marathon Oil Company	Governmental Affairs Committee, NOAPAC
Teamer	Cheryl		Assistant to the Mayor	City of New Orleans Intergovernmental Relations	
Walker	John C.		Manager of Transportation and Governmental Affairs	World Trade Center	
Wink	Joseph C..	, Jr.	Chairman & CEO	Wink Engineering, Inc.	
Wink	Ann		Treasurer	Wink Engineering Inc.	Board of Directors
Staff					
Busby	Jennifer		Administrative Assistant	The Chamber/New Orleans & the River Region	Staff
Drew	Edith D.		Director, Governmental Affairs	The Chamber/New Orleans & the River Region	Staff

(b)(6)

Myth and Reality Sometimes Collide On the Fast Track

WHEN PRESIDENT Clinton sat down a few days ago to talk trade with congressional Democrats, they raised their now-standard demand: In negotiating new trade pacts, they said, the U.S. should force other nations to agree to improve their labor and environmental standards.

In reply, Mr. Clinton aptly illuminated the gap between wishes and reality in this fall's



great trade debate. "Imagine if you were the head of another country," he said. "And the president of the U.S. came to you and said 'I'll make you a deal: Let us rewrite all your labor and environmental laws, and in return you send us all your

money to pay for our imports.'"

Then, Mr. Clinton concluded, imagine your next visitor was the president of France, offering the same goods with no conditions. Who would get the trade?

That exchange captures the flavor of the debate over Mr. Clinton's request for "fast track" authority to negotiate new trade agreements. On both the right and left, the arguments against fast track (many well-intentioned) often are undermined by unrealistic expectations or simple misunderstandings.

This debate goes live today when Mr. Clinton speaks to AFL-CIO labor leaders, who are viscerally opposed to fast track. That isn't a surprise. What is surprising is how much Republican opposition has materialized, and how little clear public support has emerged for fast track at a time when internationalist policies have helped fuel a five-year economic boom. The explanation must lie in the myths that have arisen around the fast-track idea.

Basically, fast track gives the president (Clinton, Bush or whoever) the power to negotiate a trade deal and then present it to Congress for an up-or-down, unamended vote. Many critics assume that Mr. Clinton wants this power so he can cut a swath of free-trade deals with cheap-labor countries across Latin America, as he did with Mexico in the North American Free Trade Agreement. Yet that is precisely not where U.S. trade policy seems headed right now.

THE ADMINISTRATION would, indeed, like to strike a free-trade agreement with one Latin American nation, Chile. Yet Chile isn't some low-wage knockoff of Mexico, but home of a modernized, high-tech economy. And after Chile, administration aides are far more intrigued with the thought of making free-trade agreements in Asia, or with Australia, New Zealand or South Africa, than with any Central or South American nations.

Beyond that, a top use of fast track would be to negotiate agreements at the World Trade Organization to knock down barriers that stop Americans from selling products to foreign governments, or agricultural products to foreign consumers.

The second important use of fast track would be equally America-friendly: negotiating more international agreements to knock down tariffs on specific products where the U.S. is highly competitive, including computers, semiconductors and telecommunications. Billions of dollars in American exports are at stake in these two initiatives. "These are the big-ticket items," says Charlene Barshefsky, the U.S. Trade Representative.

Still, if any bilateral free-trade deals are struck, it is legitimate to ask whether they should include demands for higher labor and environmental standards. Nobody states the case for American moral leadership in these areas more passionately than House Democratic Leader Richard Gephardt.

BUT CAN SUCH changes really be compelled in trade deals? Consider if the tables were reversed. If New Zealand, which has more stringent clean-air standards than the U.S., demanded tougher American environmental laws as the price for a trade agreement, that demand would be rejected out of hand by Congress and by unions interested in saving jobs in smokestack industries. Will other countries respond differently?

Which isn't to say that labor and the environment should be ignored. They shouldn't. Ultimately, lax labor and environmental standards become competitive advantages, which is a trade issue. The trick is deciding how to address them. The administration's compromise is to include in trade deals labor and environmental issues that directly affect trade, and to handle others through existing international organizations.

Here's where Republicans become unrealistic. Many don't want trade deals to include any mention of labor and environmental issues, even those that directly affect trade, even though GOP leaders in the past have proposed that step and more.

In turn, Republicans then complain that the Clinton administration isn't delivering enough Democrats to support fast track, knowing that the only way to deliver more Democrats is to make a nod toward their environmental and labor concerns. This is where trade debate becomes political posturing. If everybody can get beyond that point, there can be serious debate — and odds are good that fast track will carry the day.

White House Operators? A Phone-Call Inquiry Into Clinton, Gore May Prove Murky, Complex

By PHIL KUNTZ

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — It has come to this: The president and vice president of the U.S. may soon be subjected to the white-hot scrutiny of an unfettered special prosecutor because they made fund-raising telephone calls from the White House that would have been perfectly legal if placed from a phone booth across the street.

Never mind allegations that the Democratic National Committee and top White House officials may have conspired to run roughshod over campaign-finance laws, turned a blind eye toward or abetted a huge flow of illegal foreign contributions and allowed a host of possible Chinese agents to buy their way into the White House. Attorney General Janet Reno has already decided that none of those matters fall under the rubric of the law that requires her to appoint an independent counsel in certain circumstances to avoid political conflicts of interest.

But that is the way it goes in the wonderland of Washington. Here's why:

Is it against the law for the president or the vice president to dial for dollars from the White House?

It depends on the political party of the person you're asking, but impartial experts seem certain: "It is not clear," writes Jack Maskell, a legislative attorney for the government's Congressional Research Service, in a recent report to Congress.

The law makes it illegal to solicit or receive money for federal campaigns in federal buildings. But there's no question that it was originally intended in 1883 to protect federal employees from shake-downs by political bosses. In fact, it has gone through several wording changes since then — none of them intended by Congress to be substantive, records show — and for several years (1948-51) it explicitly applied only to soliciting federal employees.

The Justice Department has argued in the past that the law applies to soliciting private individuals, a position that, interestingly, was opposed by the Watergate Special Prosecutor's Office in 1974. The Justice Department's last known public statement is a 1979 opinion that concluded: "Compelling arguments can be marshaled on either side."

Mr. Maskell, however, notes that in 1980 Congress reworded the law slightly

"It shall be unlawful for any person to solicit or receive any contribution [to influence a federal election] in any room or building occupied in the discharge of official duties ... Any person who violates this section shall be fined not more than \$5,000 or imprisoned not more than three years, or both."

—U.S. Code

and added an exemption to allow members' staff to accept unsolicited donations, suggesting to him that Congress by that time believed the law applied to soliciting private citizens. Moreover, it's common knowledge on Capitol Hill that members are supposed to make such calls elsewhere.

Can an independent counsel be named for something so mushy?

Under the law, Ms. Reno must "comply with the written or other established policies of the department" in deciding whether an independent counsel should be appointed. A Senate report on the law in 1982 explained this means that if the department "does not, as a matter of practice, prosecute the alleged violation," the attorney general shouldn't move to appoint an independent counsel.

Well, has anybody ever been prosecuted for this?

No. The CRS's Mr. Maskell, in his report on the matter, says he could find no such cases. He concludes the department's "apparent practice" is to ignore them. The department "has appeared to indicate that, as a practical matter ... it looks upon the law in its traditional historic framework as relating to activities in federal buildings directed at federal personnel."

The Justice Department considered and decided against pursuing the best-known recent case of this kind. In 1995, GOP Sen. Phil Gramm of Texas was quoted as saying he feels free to place fund-raising calls from his Senate office, as long as he used his credit card: "I do it wherever I am." When the Senate Ethics Committee asked him about it, Mr. Gramm denied explicitly soliciting anyone from his office.

The panel dropped the matter with a polite warning letter, a person familiar with the matter said, after then-Chairman Mitch McConnell adamantly opposed opening an inquiry because so many other senators were probably guilty of the same thing. These days, Mr. McConnell, a Kentucky Republican, is threatening Ms. Reno with impeachment if she doesn't appoint an independent counsel.

If the law is never enforced, why is Ms. Reno even considering an independent counsel?

Because the law gives her very little leeway at this stage of her deliberation. Right now she is in the midst of a 30-day review of whether she will launch a 90-day preliminary investigation into whether she should call in an independent counsel.

Ms. Reno can, at this point, only consider whether there is specific and credible evidence of a crime. Clearly, Mr. Gore's public admissions that he made some calls are specific and credible. President Clinton insists he can't remember if he did, but testimony from a former aide, Harold Ickes, and documents indicating that he did seem specific and credible. Mr. Ickes told Senate investigators on Monday that he has no recollection of calls by Mr. Clinton in 1995-96, but recalls him making a few in 1994 to raise "soft money," which isn't technically covered by the solicitation ban, for a campaign to promote his health-care initiative.

Ms. Reno can't even think about past department practices yet, though she can mull whether the conduct of Messrs. Clinton and Gore violated the law in the first place. During the 90-day investigation, she can consider other issues.

If one gets appointed, what exactly will the independent counsel investigate?

That's the rub: A relatively minor

matter, such as the phone calls, can balloon into a virtually limitless inquiry. The independent counsel formally would be appointed by the same special three-judge panel that picked Kenneth Starr and the other counsels now probing Clinton officials. That panel also frames the counsel's jurisdiction, based on advice from the attorney general. This is no easy task, because the prosecutor would need enough leeway to extract cooperation from lower-level witnesses. So, for example, some of Mr. Ickes's activities might have to be looked at, too.

Moreover, the Justice Department has to stay a mile away from the independent counsel's jurisdiction, so it might shed any areas currently under scrutiny that overlap with the telephone calls. This can turn into a game of dominoes: If the phone calls from the White House are fair game, shouldn't the infamous White House coffees be looked at, too? And that might bring in DNC fund-raiser John Huang and a host of other coffee attendees now of interest to federal prosecutors. And that could lead to looking into GOP accusations that Mr. Huang might have been involved in China's alleged plan to funnel money into the U.S. campaigns. And so on.

How long can an investigation last?

As long as it takes, which can be years because requests by independent counsels to expand their jurisdictions are rarely denied.

What if Ms. Reno decides the phone calls don't merit an independent counsel — can she appoint one anyway?

Yes. The law gives her discretionary authority to seek an independent counsel if she determines that there may be a "political conflict of interest" in investigating somebody.

09/19/97 FRI 13:08 FAX 202 456 9370 NSC Communications

September 19, 1997

INFORMATION

MEMORANDUM FOR VICKI RADD

FROM: ANTONY BLINKEN, DAVID LEAVY, JAKE SIEWERT

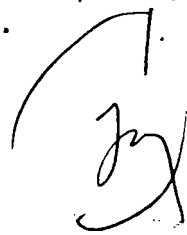
SUBJECT: Communications Activities

With the possibility of Ways and Means hearing as the main national story for next week, we need to demonstrate viability and momentum. Towards that end, we recommend opportunities to highlight our support and core message.

• CONGRESSIONAL ENDORSEMENTS:

1. Key Senate endorsement - Daschle or several key Finance Committee members for public endorsement—either at White House or at Capitol.
2. Formation of House whip team. Meeting with key Democratic whip group led by Fazio and Matsui at White House with EBB. Proceed to stake out and outline plans to drum up Democratic support.

- STATE BY STATE STATISTICS: NEC has developed strong state-by-state trade statistics. We recommend a series of state press days that can maximize the media bounce out of these numbers.
- COLUMNISTS: Barshefsky will be doing a columnists roundtable on Monday with Gerry Sieb, EJ Dionne, Ron Brownstein and David Shirkman.
- CONFERENCE CALLS WITH MAYORS: Working with Cabinet Affairs and Intergovernmental, there will be a "Mayors Call" with Barshefsky to brief on regional impact of trade in local markets.
- ENDORSEMENT LETTERS: Beginning next week, we will begin receiving letters of endorsements from former government officials (State, Treasury, Commerce, USTR, CEA). We will begin rolling them out next week.



- BUSINESS SUPPORT: Working with the Chamber and other business groups we are working on maximizing individual businesses profile and support in our targeted districts.
- REGIONAL RADIO: Our regional radio effort continues with a number of sub-Cabinet officials continuing to do interviews.
- SPEECHES: Barshefsky will be delivering a major trade speech at the Brookings Institute on Tuesday.

From: bbraiker@ustr.gov@INET@EOPMRX@LNGTWY
*To: bstillman@ustr.gov@INET@EOPMRX@LNGTWY
*To: cparker@ustr.gov@INET@EOPMRX@LNGTWY
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*To: tjohnson@ustr.gov@INET@EOPMRX@LNGTWY
*To: wdaley@ustr.gov@INET@EOPMRX@LNGTWY
*cc: N@ustr.gov@INET@EOPMRX@LNGTWY

Date: 9/22/97 5:19pm

Subject: NFPA Calls Advertisements Opposing 'Fast Track' Legislation
NFPA Calls Advertisements Opposing 'Fast Track' Legislation
'Scare Tactics to Frighten and Mislead Consumers'

WASHINGTON, Sept. 22 /PRNewswire/ -- Television advertisements paid for by groups opposing "Fast Track" legislation, which argue that the legislation would undermine U.S. food safety, "are designed to frighten and mislead consumers to advance those groups' political agenda," according to the National Food Processors Association (NFPA).

Dr. Allen Matthys, NFPA's Vice President of Technical Regulatory Affairs, made the following comments.

"Food safety is not a trade issue. All products either imported or exported must meet the sanitary and food safety standards of each country. U.S. regulatory agencies provide oversight to ensure that all food products -- whether domestic or foreign -- meet the food safety requirements of the United States. These shamelessly misleading advertisements opposing Fast Track legislation use scare tactics to imply that this legislation would weaken U.S. food safety.

"Fast Track legislation will not affect our nation's regulatory authority or U.S. food safety standards. Other countries will have to meet strict U.S. food safety requirements before any product can enter the United States. If they cannot assure that proper safety standards are being met, or if a safety problem is identified, these products can be excluded from import until such time as their safety is assured. Opponents of Fast Track, by producing these false and misleading advertisements, appear to be more interested in scaring consumers than in educating the public on important issues related to the continued safety of our nation's food supply.

"NFPA supports Fast Track authority for the President for negotiation of international trade agreements. Our nation will be disadvantaged

competitively without 'Fast Track' and the ability to negotiate agreements in emerging marketplaces around the world. This will place the United States in a positive position to negotiate agreements that further ensure and enhance food safety worldwide."

NFPA is the voice of the \$430 billion food processing industry on scientific and public policy issues involving food safety, nutrition, technical and regulatory matters and consumer affairs. NFPA's three scientific centers, its scientists and professional staff represent food industry interests on government and regulatory affairs and provide research, technical services, education, communications and crisis management support for the association's U.S. and international members, who produce processed and packaged foods, drinks and juices.

SOURCE National Food Processors Association

-0- 09/22/97

/CONTACT: Timothy Willard of the National Food Processors Association,
202-637-8060/

South Korea Not Living Up to Trade Agreement, American Automobile Official Says

PR News Wire via Dow Jones

WASHINGTON, Sept. 22 /PRNewswire/ -- Citing South Korea's violations of a 1995 Memorandum of Understanding (MOU) to increase market access for foreign passenger vehicles, the head of the trade association for America's Car Companies today urged the U.S. government to begin an unfair trade practice investigation under "Super 301" trade laws.

"Last year, imports from every other country in the world totaled only 10,315 vehicles, accounting for a mere 0.6 percent of the Korean vehicle market. No foreign manufacturer ... has managed to sell more than a handful of cars in Korea," said Andrew H. Card, Jr., President and CEO of the American Automobile Manufacturers Association (AAMA) during a press conference. AAMA is the trade association whose members are Chrysler Corporation (NYSE: C), Ford Motor Company (NYSE: F), and General Motors Corporation (NYSE: GM).

In the MOU, Korea pledged to substantially increase market access for foreign passenger vehicles and to improve consumer perceptions in Korea of foreign automobiles.

"This agreement was intended to be a small first step toward opening the Korean market. However, to our great disappointment, while early steps were taken to implement some provisions of the MOU, Korea is committing outright violations of the agreement. We all know that Korea maintains many barriers to auto imports, but they've even added some new ones," Card said.

At the same time, Korean automakers have continued to add capacity -- reaching more than 3.6 million in 1996 -- and have announced plans to increase production up to as much as 6 million units annually by 2000, he said. "Allowing Korea to maintain a closed market while building huge auto assembly capacity could result in the loss of billions of dollars of U.S. automotive exports," Card said.

In July, AAMA recommended that the U.S. government initiate an unfair trade investigation of Korean automotive practices under the "Super 301" trade provisions.

"We urge the Administration to take this strong step to indicate clearly to a government that does not appear to be listening, that the United States will not accept this ongoing pattern of irresponsible trade practices," Card said.

Card also criticized the lack of progress under a 1995 trade agreement with Japan. "It's hard to believe that just two short years after the 1995 bilateral auto agreement, the trends in U.S.-Japan automotive trade are all headed in the wrong direction. Japan is sliding into its old pattern of exporting its problems. Japan is either unwilling or unable to take seriously its obligations to be proactive in opening its market," Card said.

AAMA has asked that the Administration place Japan on the Watch List of the Super 301 unfair trade practices law.

"Chrysler Corporation, Ford Motor Company, and General Motors Corporation have the ability to compete globally with any competitor on a fair and equal basis; this requires enforcement of existing hard-won agreements with our trading partners," Card stated.

The full text of Mr. Card's remarks follows:

ANDREW H. CARD, JR.

PRESIDENT & CEO

AMERICAN AUTOMOBILE MANUFACTURERS ASSOCIATION

Remarks

September 22, 1997

Thank you for joining us this morning. I am Andy Card, President and Chief Executive Officer of the American Automobile Manufacturers Association. AAMA's member companies are Chrysler Corporation, Ford Motor Company and General Motors Corporation.

Trade policy issues are again the center of Congressional attention because of the President's pending request to renew his trade negotiating authority, known as "Fast Track."

But this month is also a timely opportunity to review progress being achieved in opening markets to U.S. exports under existing U.S. trade agreements, because of the September 30 deadline for the Administration to report its findings under the U.S. Super 301 review of unfair trade practices by foreign countries.

Expanding opportunities to reach new consumers in emerging markets around the world is an important objective of each of America's car companies. In the automotive industry, the vast majority of growth in vehicle demand is coming from outside the developed markets of North America, Western Europe and Japan -- specifically in Central Europe, the Asia Pacific region and Latin America. And while the United States is considered the most open market in the world, U.S. firms face significant barriers in gaining access to many emerging markets.

AAMA believes that securing the renewal of fast track negotiating authority for the President is a priority. This will allow the United States to pursue

its strategic interests in a global market and maintain international leadership on trade.

Chrysler, Ford, and General Motors have the ability to compete globally with any competitor on a fair and equal basis; this requires enforcement of existing hard won agreements with our trading partners. I'd like to briefly give you AAMA's assessment of major automotive agreements with two of our trading partners -- Korea and Japan -- that are growing sources of very serious concern.

Korea

Korea is a vital potential market for Chrysler, Ford and General Motors. After Japan, Korea is the largest vehicle market in Asia. Sales have grown by over 50 percent since 1990 to the current level of over 1.6 million units. However, last year, imports from every other country in the world totaled only 10,315 vehicles, accounting for a mere 0.6 percent of the Korean vehicle market. No foreign manufacturer, including any European brand, has managed to sell more than a handful of cars in Korea.

While imports face serious restrictions in the Korean market, production by Korean automakers continues to escalate and exports in particular are up. Currently, Korea exports over 40 percent of its production. With even more capacity scheduled to come on line over the next several years, its exports of autos and light trucks are expected to surge.

In 1995, Korea entered into a trade agreement with the United States entitled "A Memorandum of Understanding to Increase Market Access for Foreign Passenger Vehicles in the Republic of Korea," which is generally called the MOU. The intent of the agreement is self explanatory from its title. It represented an acknowledgment by the Korean Government that its market has historically been closed to imported autos.

This agreement was intended to be a small first step toward opening the Korean market. However, to our great disappointment, while early steps were taken to implement some provisions of the MOU, Korea is committing outright violations of the agreement. We all know that Korea maintains many barriers to auto imports, but they've even added some new ones.

Korea pledged in the 1995 agreement to "substantially increase market access for foreign passenger vehicles" and to "improve consumer perceptions in Korea of foreign passenger vehicles." However, the Korean government has taken a series of actions to reinforce the perception that purchasing or leasing an imported vehicle could lead to government harassment. For instance, Korea's tax authorities this year again publicly renewed their threat to conduct tax audits against consumers of imported vehicles.

We believe that Korea does have a sanctuary market. And that sanctuary market is directly fueling the Korean auto industry's aggressive international expansion. In the face of mounting global overcapacity in automotive production and despite the precarious financial position of the Korean manufacturers, Korean producers have continued to add capacity -- reaching more than 3.6 million in 1996 -- and have announced plans to increase production up to as much as 6 million units annually by 2000.

Allowing Korea to maintain a closed market while building huge auto assembly

capacity could result in the loss of billions of dollars of U.S. automotive exports.

This irrational buildup of capacity has led to Korean companies engaging in business arrangements that violate international trade rules. The United States government has joined the European Community and Japan at the WTO in objecting to a discriminatory national car program in Indonesia that benefits a single Korean auto company.

Chrysler, Ford and General Motors are not alone in expressing growing exasperation with Korea's behavior as a trading partner. Korea's unfair trade practices have also been widely criticized by other nations at the OECD and in a joint visit to Seoul in July with representatives of the European Automotive Manufacturers Association. All efforts to have the Korean government honor its commitments to fair, open trade practices have been met with complete intransigence.

As a result, the AAMA has recommended that the United States initiate an unfair trade investigation of Korea automotive practices under the "Super 301" trade provisions. We urge the Administration to take this strong step to indicate clearly to a government that does not appear to be listening, that the United States will not accept this ongoing pattern of irresponsible trade practices.

Japan

I also want to discuss the status of U.S.-Japan auto trade relations. Over the past several years, I've been able to report some encouraging or at least hopeful signs of Japan's commitment to expanding market access for imported autos. Unfortunately, today, that is not the case. By nearly every measure, that evidence has disappeared and U.S.-Japan automotive trade figures demonstrate nothing but bad news.

Just take a brief look at the numbers:

- The yen has weakened by almost one-third against the dollar.
- As a direct result, vehicle exports from Japan to the United States and other countries have surged -- up 23 percent to the United States this year alone.
- Meanwhile the weak yen has sharply reduced import sales in Japan.

Total import market share has dropped from 6.0 percent in 1996 to 5.1 percent so far this year.

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**“FAST TRACK” NEGOTIATING AUTHORITY
FOR THE
U.S. TRADE REPRESENTATIVE’S OFFICE

POSITION PAPER**

Prepared by:
WORLD TRADE CENTER OF NEW ORLEANS

September 22, 1997

EXECUTIVE SUMMARY

Since the end of the Second World War, the United States has actively promoted free trade expansion among its trading partners as a cornerstone of U.S. foreign policy. This position was supported in part by the belief that an open market is a vital component of democracy, and those nations that adopt an open market structure are more likely to convert to democratic rule. Another component of the United States' free trade position is the modern economic theory of comparative advantage, which implies that by trading goods and services, each country can concentrate on what it produces most efficiently.

International trade now accounts for 23% of the U.S. gross domestic product, versus 9% in 1960. The U.S. has the largest share of world exports, with 11.6 percent, and total U.S. merchandise exports reached \$623 billion in 1996. Using ITA estimates, these exports support a total of at least 10.5 million U.S. jobs. Key strategic manufacturing industries in the United States which benefit from lowered tariffs in foreign markets include: aerospace, specialty chemicals, transportation equipment, computers, medical diagnostic equipment and pharmaceuticals. The agricultural sector, in which the United States enjoys the highest productivity in the world, would see a large-scale expansion of exports if barriers to market entry abroad were further reduced. U.S. service industries also have distinct comparative advantages in major sectors such as finance, law, industrial support, and environmental industries.

Louisiana is the ninth largest exporting state, exporting over \$23 billion goods in 1996, a 32% increase over 1994. Over two-thirds of U.S. grain exports utilize the Mississippi River and Louisiana's maritime facilities. Many Louisiana-based industries, such as agriculture, petrochemicals, transportation equipment, food products, forestry and paper products, oilfield services and industrial services are enjoying a period of growth not enjoyed since the oil boom of the late 1970s-early 1980s. This is due in part to the state's strategic location for expanded north-south trade.

As the United States negotiates more trade agreements with other countries, the more insulated the U.S. economy from domestic downturns. It also ensures that the United States does not become overly dependent upon trade with any particular country or countries that may experience a similar downturn in their economies. The United States should continue to advance the principle of trade liberalization as a cornerstone of its foreign economic policy in order to ensure that the greatest possible number of markets are open to U.S. goods and services. By giving the President "fast track" negotiating authority, the Congress would be providing the Executive branch the vital tool it needs to pursue a public policy consistent with the continued global competitiveness of the U.S. economy.

I. HISTORICAL BACKGROUND

Since the end of the Second World War, the United States has actively promoted free trade expansion among its trading partners as a cornerstone of U.S. foreign policy.

This position has been supported in part by the belief that an open market is a vital component of democracy, and those nations that adopt an open market structure are more likely to convert to democratic rule. Another component of the United States' free trade position is the modern economic theory of comparative advantage, by which openly trading goods and services permits each country to concentrate on what it produces most efficiently. Otherwise, trade restrictions and other artificial market conditions will allow for production to be diverted to sites which do not, in real economic terms, have either the efficiency of production or product differentiation to support the industry in the face of global competition.

Soon after Congress first granted authority to President Roosevelt to reduce trade barriers in bilateral negotiations in 1934, the economic argument supporting increased market access was overshadowed by the political environment in which the United States found itself following World War II. With the conclusion of the war, Germany and Japan were at risk of communist takeover. The United States engaged these countries with an active investment and trade policy, ensuring stable political structures and allowing a level of market development which has helped bring them up to a standard of living comparable to our own.

The United States' free trade policy served as enlightened self-interest in the early years of the post-war world, at a time when the U.S. held a comparative advantage in seemingly every major manufactured and agricultural product. But today, some critics question the U.S.'s competitive position vis-a-vis our trading partners, and they lobby the Congress to erect trade barriers and protect certain traditional sectors of the U.S. economy. These considerations have in part caused a lapse in "fast track" negotiating authority for the U.S. Trade Representative's office since 1993 for the first time since it was initially granted in 1973.

The philosophical change signaled by such an alteration in U.S. foreign policy would be to abandon the negotiating position largely responsible for the rapid expansion of world trade by the U.S. and other trading nations in the past thirty years and also for the West winning the Cold War. It also gives potential trading partners the impression that open-market policies are no longer necessary at an advanced stage of industrial development, thereby raising doubts about pursuing changes in their own market systems which cause some painful displacements in the short-term.

II. THE U.S. BENEFITS FROM TRADE

While the United States does not have the same level of comparative advantage it had in most market sectors immediately following World War II, the U.S. today bears ample evidence of the benefits of free trade.

According to the International Trade Administration (ITA) of the U.S. Department of Commerce, the United States continues to be the world's largest exporter and importer. The U.S. has the largest share of world exports, with 11.6 percent. Using ITA estimates, U.S. exports of goods and services support a total of at least 10.5 million U.S. jobs¹ (U.S. International Trade Facts are included in this report as Attachment I).

International trade now accounts for approximately 23% of the U.S. gross domestic product, versus 9% in 1960. According to figures from the Massachusetts Institute for Social and Economic Research (MISER), the United States exported approximately \$623 billion of goods in 1996,² compared to \$250 billion just nine years earlier. The latest data available on the number of U.S. companies which export comes from the Commerce Department's recent publication A Profile of U.S. Exporting Companies, 1992, which indicates that the identified U.S. exporting community in 1992 consisted of almost 113,000 companies. Almost 96% or 108,026 of all exporters at that time were defined as small or medium-sized companies.³ It must also be noted that U.S. goods and services exports have increased by over 25 percent since 1992, indicating that far more companies are involved in exporting today than the 113,000 identified in the 1992 study.

Key strategic manufacturing industries in the United States which benefit from lowered tariffs in foreign markets include: aerospace, specialty chemicals, transportation equipment, computers, medical diagnostic equipment and pharmaceuticals. The agricultural sector, in which the United States enjoys the highest productivity in the world, would see a large-scale expansion of exports if barriers to market entry in many countries around the world were further reduced. The benefits of trade also accrue to the American consumer from the availability of various agricultural products such as fruits and vegetables during those periods of the growing season when domestic production is unavailable.

¹ U.S. Department of Commerce, International Trade Administration.

² Origin of Movement Series, Massachusetts Institute for Social and Economic Research, 1997.

³ A Profile of U.S. Exporting Companies, 1992, U.S. Department of Commerce Press Release, August 22, 1997.

U.S. service industries, which accounted for over 33 million jobs in 1995,⁴ have distinct comparative advantages in major sectors such as finance, law, industrial support, and environmental industries. And industries that are dependent upon intellectual property, such as computer software development, publishing, broadcasting and entertainment, have a predominant portion of total world production located within the United States.

Export industries and the service sectors that support them provide the types of high-wage jobs that the majority of Americans want public policy to nurture into the next century. For further expansion in these industrial sectors, lowest-cost inputs to production are needed to ensure future competitiveness against Asian and European competitors. These lowest-cost inputs may only be obtained through a trade policy which encourages the removal of trade barriers to ensure that industries locate their plants based on market factors rather than artificial support systems. The alternative is that trade distortions caused by tariff barriers will allow countries to further develop certain industries at increasing cost, making market reforms even more unpalatable in the future.

For the past fifty years, the United States has taken the initiative to actively engage in international trade negotiations in order to establish trade rules which are most advantageous to U.S. interests. In the three years since the provisions of the North American Free Trade Agreement (NAFTA) became effective, the world's trading community has begun bilateral and multilateral negotiations on various trade accords with Latin American, European and Asian nations. This has occurred without the participation of the United States because of the lack of "fast track" negotiating authority. The U.S.'s ability to influence the structure of the global trading rules to best serve our domestic business concerns is limited by our inability to pursue trade negotiations with "fast track" authorization.

III. LOUISIANA BENEFITS FROM TRADE

Perhaps no state exhibits the tangible benefits of trade as much as Louisiana. Louisiana was the ninth largest exporting state in 1996, exporting over \$23 billion of goods, a 32% increase over 1994. Five of the state's top twenty export markets last year were located in the Western Hemisphere. Trade with Latin America alone grew to almost \$4.75 billion in 1996.⁵ Louisiana's current international trade statistics are included Attachment II.

⁴ 1995 figures for non-agricultural employment obtained from Census Bureau, U.S. Department of Commerce.

⁵ NOTE: 1997 Origin of the Movement Series from MISER figures include exports that are produced in other states and pass through Louisiana's transportation system en route to their final destination.

Many Louisiana industries, such as agriculture, petrochemicals, transportation equipment, food products, forestry and paper products, oilfield services and industrial services are enjoying a period of growth not enjoyed since the oil boom of the late 1970s-early 1980s. This is due in part to the state's strategic location for expanded north-south trade.

A 1995 study conducted by the University of New Orleans indicated that business activities generated in the maritime sector in Louisiana alone accounted for a total of \$3.9 billion in direct or primary spending in the state during 1994. This direct spending produced another \$7.5 billion in secondary spending in Louisiana. The cumulative impact of the maritime industry to Louisiana's economy was \$11.4 billion. Total spending related just to maritime activities supported over \$2 billion in earnings and over 94,000 jobs throughout the state, or approximately one out of every 18 jobs.⁶ In fact, over two-thirds of total U.S. grain exports utilize the Mississippi River and Louisiana's maritime facilities.

Brazil is now the Port of New Orleans' number one trading partner, replacing Japan which was number one for many years. Hemispheric trade – now accounting for 32 percent of the Port's general cargo business – has overtaken Asian trade as the Port's predominant business. In 1996, a total of over 10 million tons of general cargo moved through the Port, making it the third busiest year in Port history. In 1995, the Port recorded its all-time high in general cargo tonnage with 10.5 million tons.⁷ 1996 statistical reports for the Port of New Orleans are included as Attachment III. Lower Mississippi River ports' exports to the world in 1995 are included as Attachment IV.

But Louisiana's international trade growth was not just restricted to maritime activities. According to the latest data available from the U.S. Commercial Service, the New Orleans metropolitan area was 24th among U.S. urban areas in export dollar value increase for the 1994-1995 reporting period via all modes of transportation. New Orleans area exports were up \$710 million during this period. The Monroe area had the 17th highest percentage increase in export dollar value during the 1994-1995 period, with trade increasing 56.6% during the year. In addition both Monroe (ranked 13th nationally with a 117.5% increase) and Lafayette (17th nationally with a 105.8% increase) were among the top twenty-five U.S. metropolitan areas in terms of dollar value export growth over the two-year period 1993-1995.⁸

⁶ The Economic Impacts of the Port of New Orleans and the Maritime Industry on the New Orleans and Louisiana Economies, University of New Orleans, October 1995, pp. v, 35.

⁷ Obtained from Port of New Orleans web site – www.portno.com.

⁸ Obtained from U.S. International Trade Administration web site – www.ita.doc.gov.

Which is not to say that there have not been some painful readjustments caused by Louisiana's expanded trade. The state's apparel industry, for example, after imposition of Sections 9801 and 9082 of the U.S. tariff code, has suffered recent contractions in employment. But we believe this recent development underscores the need for job retraining programs to steer workers toward better job categories that can offer sustained employment for both the short and long-term future.

Louisiana's crawfish producers have recently gone before the International Trade Administration to obtain a ruling that raises tariff rates on imported Chinese crawfish based on existing anti-dumping laws. The fact that this type of remedy was available reinforces the need for the United States to actively pursue trade agreements so that U.S. commercial interests may have effective rules of trade. Even when taking into account known local displacements associated with trade liberalization, Louisiana on the whole appears to have clearly benefited from increased international trade.

IV. CONCLUSIONS

In restoring "fast track" negotiating authority to the Executive branch, the United States will reassure its trade partners of its commitment to both trade and structural liberalization among trading nations. As a practical concern, the United States must have some centralized authority to negotiate future trade agreements. This is due to the intricacies of the negotiations, where trade-offs are frequently made between various product classifications in order to establish an "equitable" solution.

It is also a practical matter that potential trade partners will not readily negotiate with the United States without some form of "fast track" in place because of the fear of continuous revisions as amendments are attached in the Congress. Opponents of trade agreements would utilize the House and Senate to attach numerous unpopular policy riders.

With trade liberalization and a Free Trade Agreement of the Americas will come increased industrialization in Latin America. These countries are hoping to utilize U.S. management and production expertise in their infrastructure development to support this industrialization. Considering the size of their needs and assuming continued economic reforms, we can expect to see sustainable economic growth in Latin America occur at a faster growth rate than in the United States for the foreseeable future. This trend will make it imperative that U.S. companies have access to these markets to ensure further sales growth for American high technology and knowledge-based industries.

Additional trade agreements can be expected to insulate the U.S. economy from domestic downturns, as our worldwide exports continue to grow. It also ensures that the United States does not become overly dependent upon trade with any particular country or countries that may experience a similar downturn in their economies. The United States should continue to advance the principle of trade liberalization as a cornerstone of its foreign economic policy in order to ensure that the greatest possible number of markets are opened to U.S. goods and services.

We believe that the United States should develop public policies that promote U.S. commercial interests in support of continued domestic jobs and investment. By giving the President “fast track” negotiating authority, the Congress would be providing the Executive branch the vital tool it needs to pursue a public policy consistent with the continued global competitiveness of the U.S. economy.

U. S. INTERNATIONAL TRADE

ATTACHMENT I

- Source: U.S. Department of Commerce, International Trade Administration
- Balance-of-payments basis, billions of \$
- U. S. - world's largest economy, #1 importer, #1 exporter

GOODS

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Imports	799	749	669	589	537	491	498	472	447	410
Exports	612	576	503	457	440	417	389	362	320	250
	—	—	—	—	—	—	—	—	—	—
Balance	-188	-173	-166	-132	-97	-74	-109	-115	-127	-160

SERVICES

Imports	151	142	134	126	120	118	118	102	98	90
Exports	224	211	196	186	177	164	148	127	110	98
Balance	73	68	62	60	57	46	30	25	12	8

TOTAL - GOODS AND SERVICES

Imports	950	892	803	715	657	609	616	579	545	500
Exports	836	787	698	643	617	581	537	489	430	348
Balance	-114	-105	-105	-72	-40	-28	-78	-97	-115	-152

Note: Some totals vary slightly due to rounding.

TRADE FACTS

Share of World Exports (%)

	<u>1981-1985</u>	<u>1986-1990</u>	<u>1991</u>	<u>1993</u>	<u>1995</u>
U.S.	11.5	11.1	12.0	12.4	11.6
Canada	4.2	4.0	3.6	3.9	3.8
Germany	9.1	11.5	11.5	10.2	10.4
Japan	8.1	9.0	9.0	9.7	8.8
France	5.2	6.0	6.2	5.6	5.7
U.K.	5.0	5.1	5.3	4.8	4.8

Merchandise Exports as % of GNP

7% U.S.
19% U.K.
17% France
21% Germany
26% Canada
9% Japan

Composition of U.S. Merchandise Exports

86% manufactured goods
9% agricultural commodities
5% other (primarily mineral fuels and crude materials)

On average 19,100 U.S. jobs relate to
\$1 billion of merchandise exports

2,000 U.S. companies account for 70% of U.S.
merchandise exports

U. S. exports of goods and services support a total of
10.5 million U.S. jobs

Top 25 U.S. Markets
U.S. Domestic and Foreign Goods Exports, 1996
(F.a.s. Value)

	\$billions
1. Canada	133.7
2. Japan	67.5
3. Mexico	56.8
4. United Kingdom	30.9
5. South Korea	26.6
6. Germany	23.5
7. Taiwan	18.4
8. Singapore	16.7
9. Netherlands	16.6
10. France	14.4
11. Hong Kong	14.0
12. Belgium-Luxembourg	12.8
13. Brazil	12.7
14. Australia	12.0
15. China	12.0
16. Italy	8.8
17. Malaysia	8.5
18. Switzerland	8.4
19. Saudi Arabia	7.3
20. Thailand	7.2
21. Philippines	6.1
22. Israel	6.0
23. Spain	5.5
24. Venezuela	4.7
25. Colombia	4.7

Leading U.S. Suppliers
U.S. General Goods Imports, 1996
(Customs Value)

	\$billions
1. Canada	156.5
2. Japan	115.2
3. Mexico	73.0
4. China	51.5
5. Germany	38.9
6. Taiwan	29.9
7. United Kingdom	28.9
8. South Korea	22.7
9. Singapore	20.3
10. France	18.6
11. Italy	18.2
12. Malaysia	17.8
13. Venezuela	12.9
14. Thailand	11.3
15. Hong Kong	9.9
16. Saudi Arabia	8.8
17. Brazil	8.8
18. Indonesia	8.2
19. Philippines	8.2
20. Switzerland	7.8
21. Sweden	7.2
22. Belgium-Luxembourg	7.0
23. Netherlands	6.6
24. Israel	6.4
25. India	6.2

U.S. Trade Balances, 1996
Listing of U.S. Merchandise Trade Balances
Domestic and Foreign Exports, f.a.s. Value,
General Imports, Customs Value

U.S. Surplus Positions	\$billions	U.S. Deficit Positions	\$billions
1. Netherlands	+10.0	1. Japan	-47.7
2. Australia	+8.1	2. China	-39.5
3. Belgium-Luxembourg	+5.8	3. Canada	-22.8
4. Hong Kong	+4.1	4. Mexico	-16.2
5. Brazil	+3.9	5. Germany	-15.5
6. South Korea	+3.9	6. Taiwan	-11.5
7. Egypt	+2.5	7. Italy	-9.4
8. Argentina	+2.2	8. Malaysia	-9.3
9. United Arab Emirates	+2.0	9. Venezuela	-8.2
10. United Kingdom	+2.0	10. Nigeria	-5.0
11. Chile	+1.9	11. Indonesia	-4.2
12. Spain	+1.2	12. France	-4.2
13. Turkey	+1.1	13. Thailand	-4.1
14. Panama	+1.0	14. Sweden	-3.7
15. Paraguay	+0.9	15. Singapore	-3.7
16. South Africa	+0.8	16. India	-2.9
17. Jamaica	+0.7	17. Angola	-2.4
18. Lebanon	+0.6	18. Norway	-2.3
19. Switzerland	+0.6	19. Philippines	-2.0
20. Bahamas	+0.6	20. Gabon	-1.9
21. Peru	+0.5	21. Saudi Arabia	-1.5
22. Colombia	+0.4	22. Algeria	-1.5
23. Poland	+0.3	23. Sri Lanka	-1.2
24. Kuwait	+0.3	24. Ireland	-1.1
25. Haiti	+0.3	25. Bangladesh	-1.1

U.S. EXPORTS BY STATE

SORTED BY 1997 Q2 YTD, TOTAL VALUE (\$'s)

State of Origin of Movement Series

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ATTACHMENT II

	1994	1995	1996	1996 Q2 YTD	1997 Q2 YTD	%Incr 94-95	%Incr 95-96	%Incr 96-97
TOTAL ALL STATES	512,415,609,180	583,030,524,528	622,827,062,902	309,889,743,071	339,775,575,119	13.8	6.8	9.6
CALIFORNIA	81,189,967,002	96,572,986,614	104,510,477,142	51,884,132,220	52,958,022,980	18.9	8.2	2.1
TEXAS	59,972,120,861	68,818,614,148	74,021,132,311	36,093,436,411	39,984,990,262	14.8	7.6	10.8
NEW YORK	34,011,123,101	37,089,140,074	38,690,410,786	20,673,399,751	22,083,811,104	9.1	4.3	6.8
WASHINGTON	26,148,815,627	24,847,377,699	29,393,768,722	14,972,586,201	19,340,240,383	-5.0	18.3	29.2
MICHIGAN	28,496,855,595	28,430,730,624	29,615,224,405	14,867,849,486	17,471,295,715	-0.2	4.2	17.5
ILLINOIS	21,980,467,382	25,572,687,885	26,880,357,537	13,210,627,460	14,406,459,352	16.3	5.1	9.1
OHIO	21,648,978,078	23,764,127,322	24,980,586,419	12,590,976,482	13,594,773,186	9.8	5.1	8.0
FLORIDA	20,513,533,973	23,671,148,913	24,999,649,632	12,308,434,536	13,527,086,045	15.4	5.6	9.9
LOUISIANA	15,559,651,980	21,059,453,457	22,737,680,188	11,455,104,987	9,869,193,951	35.3	8.0	-13.8
NORTH CAROLINA	14,059,809,404	16,820,101,786	17,815,507,335	8,763,183,676	9,389,819,477	19.6	5.9	7.2
MASSACHUSETTS	13,064,782,176	15,065,263,956	16,217,704,122	8,122,946,568	8,886,387,553	15.3	7.6	9.4
PENNSYLVANIA	13,611,335,554	15,206,541,608	16,082,729,319	8,018,610,621	8,783,571,202	11.7	5.8	9.5
NEW JERSEY	13,073,156,075	13,832,972,458	14,885,976,603	7,150,325,161	8,460,734,511	5.8	7.6	18.3
ARIZONA	9,032,526,710	10,222,254,932	11,197,833,439	5,221,723,525	7,735,796,107	13.2	9.5	48.1
GEORGIA	10,029,148,502	12,400,489,703	12,552,857,070	6,226,309,902	7,279,710,947	23.6	1.2	16.9
VIRGINIA	11,343,167,037	12,905,971,837	13,270,956,478	6,641,588,465	7,277,342,204	13.8	2.8	9.6
INDIANA	9,260,760,881	11,627,670,607	11,950,253,610	6,044,799,967	6,640,377,402	25.6	2.8	9.9
WISCONSIN	8,743,620,582	10,149,103,743	10,616,879,600	5,166,844,632	5,537,194,863	16.1	4.6	7.2
MINNESOTA	7,856,467,244	8,829,647,424	9,790,073,329	4,894,147,396	5,250,811,651	12.4	10.9	7.3
OREGON	7,247,127,180	9,436,454,308	9,809,881,830	4,830,797,955	5,016,825,671	30.2	4.0	3.9
TENNESSEE	7,685,784,686	8,827,542,020	8,886,172,887	4,554,471,587	4,939,152,105	14.9	0.7	8.4
SOUTH CAROLINA	6,014,404,374	7,314,526,425	7,398,371,644	3,779,245,455	4,244,134,113	21.6	1.1	12.3
KENTUCKY	5,398,575,397	5,948,406,826	6,901,531,376	3,111,149,972	4,005,913,383	10.2	16.0	28.8
CONNECTICUT	6,389,090,304	6,545,130,944	6,849,200,046	3,354,510,214	3,832,927,102	2.4	4.6	14.3
MISSOURI	4,039,785,060	4,373,334,666	6,459,279,276	2,995,569,777	3,587,806,097	8.3	47.7	19.8
ALABAMA	4,654,284,669	5,407,077,852	5,655,760,714	2,823,619,202	3,165,646,227	16.2	4.6	12.1
MARYLAND	5,840,930,414	6,215,663,590	5,775,360,851	3,088,293,825	3,064,522,213	6.4	-7.1	-0.8
PUERTO RICO	5,141,494,054	5,194,519,856	5,562,133,382	2,720,335,411	2,853,034,782	1.0	7.1	4.9
IOWA	3,570,871,337	4,352,876,857	4,853,803,417	2,490,147,669	2,778,565,469	21.9	11.5	11.6
COLORADO	4,573,733,884	5,237,380,651	5,304,490,560	2,650,155,991	2,716,281,147	14.5	1.3	2.5
KANSAS	3,370,377,407	3,854,132,652	4,123,846,945	2,091,968,800	2,251,706,391	14.4	7.0	7.6
VERMONT	2,979,650,345	3,456,454,103	3,431,995,190	1,667,996,878	2,052,026,963	16.0	-0.7	23.0
UTAH	2,510,465,764	3,649,796,784	3,620,907,792	1,813,820,972	1,709,324,021	45.4	-0.8	-5.8
OKLAHOMA	2,423,138,853	2,426,265,622	2,591,832,260	1,233,802,212	1,441,041,084	0.1	6.8	16.8

PREPARED BY: Massachusetts Institute for Social and Economic Research

SOURCE: Adjustments to data from U.S. Census Bureau. Foreign Trade Div. by MISER

	1994	1995	1996	1996 Q2 YTD	1997 Q2 YTD	%Incr 94-95	%Incr 95-96	%Incr 96-97
TOTAL ALL STATES	512,415,609,180	583,030,524,528	622,827,062,902	309,889,743,071	339,775,575,119	13.8	6.8	9.6
ALASKA	2,639,179,262	3,000,394,614	3,027,646,529	1,311,899,816	1,384,399,512	13.7	0.9	5.5
WEST VIRGINIA	1,741,425,463	2,200,960,594	2,321,472,270	1,143,280,884	1,268,825,213	26.4	5.5	11.0
MISSISSIPPI	2,033,386,208	2,773,590,716	2,818,357,233	1,390,392,032	1,225,562,235	36.4	1.6	-11.9
ARKANSAS	1,894,369,207	2,245,041,659	2,203,260,154	1,127,849,028	1,123,840,052	18.5	-1.9	-0.4
NEBRASKA	1,787,591,631	2,024,271,080	2,135,737,944	1,110,400,186	1,085,985,555	13.2	5.5	-2.2
DELAWARE	1,766,927,556	1,700,874,252	1,705,118,735	852,516,016	1,056,976,223	-3.7	0.2	24.0
NEW MEXICO	569,771,372	457,062,807	972,515,074	258,115,677	976,759,405	-19.8	112.8	278.4
IDAHO	1,612,570,840	1,973,287,594	1,666,003,983	928,244,615	874,200,253	22.4	-15.6	-5.8
NEW HAMPSHIRE	1,147,359,532	1,449,367,817	1,612,854,852	835,498,485	840,954,265	26.3	11.3	0.7
MAINE	1,204,762,513	1,486,768,395	1,471,344,379	709,992,123	761,389,275	23.4	-1.0	7.2
NEVADA	694,185,462	826,967,405	1,342,300,158	618,839,423	676,969,737	19.1	62.3	9.4
RHODE ISLAND	1,048,703,382	1,028,024,672	998,273,074	520,323,559	576,200,529	-2.0	-2.9	10.7
NORTH DAKOTA	528,004,065	578,384,017	764,133,190	389,853,757	412,149,957	9.5	32.1	5.7
MONTANA	359,661,911	391,603,543	462,765,944	224,828,414	272,357,977	8.9	18.2	21.1
WYOMING	378,485,308	425,588,350	491,161,051	223,766,351	267,230,333	12.4	15.4	19.4
SOUTH DAKOTA	337,605,105	437,624,056	470,128,379	238,700,850	262,547,667	29.6	7.4	10.0
DISTRICT OF COLUMBIA	690,294,646	312,475,169	415,584,456	200,199,947	251,330,285	-54.7	33.0	25.5
HAWAII	396,264,625	352,476,528	311,569,421	165,286,953	203,451,259	-11.1	-11.6	23.1
U.S. VIRGIN ISLANDS	149,059,600	239,913,314	202,209,859	126,841,588	117,919,724	61.0	-15.7	-7.0

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LOUISIANA EXPORTS BY INDUSTRY

SORTED BY 1997 Q2 YTD, TOTAL VALUE (\$'s)

State of Origin of Movement Series

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	1994	1995	1996	1996 Q2 YTD	1997 Q2 YTD	%Incr 94-95	%Incr 95-96	%Incr 96-97
TOTAL ALL INDUSTRIES	15,559,651,980	21,059,453,457	22,737,680,188	11,455,104,987	9,869,193,951	35.3	8.0	-13.8
AGRICULTURAL PRODUCTION-CROPS	7,479,471,494	10,166,375,022	12,832,125,537	6,448,887,120	4,434,288,396	35.9	26.2	-31.2
FOOD AND KINDRED PRODUCTS	2,821,688,144	3,563,625,413	3,371,203,451	1,673,457,342	1,871,926,704	26.3	-5.4	11.9
CHEMICALS AND ALLIED PRODUCTS	2,506,940,387	3,496,864,993	3,216,547,901	1,618,521,282	1,807,799,297	39.5	-8.0	11.7
PETROLEUM AND COAL PRODUCTS	838,771,340	1,189,140,636	1,092,209,664	582,682,629	528,667,723	41.8	-8.2	-9.3
INDUSTRIAL MACHINERY, COMPUTER EQUIPMENT	497,196,714	531,469,059	477,145,179	261,508,459	242,436,818	6.9	-10.2	-7.3
PAPER AND ALLIED PRODUCTS	330,731,199	514,564,015	382,991,836	202,056,053	182,274,829	55.6	-25.6	-9.8
TRANSPORTATION EQUIPMENT	141,857,464	220,946,059	254,637,541	117,836,915	181,138,799	55.8	15.2	53.7
ELECTRONIC, ELECTRIC EQUIP, EXC COMPUTER	120,980,114	207,073,830	225,713,962	103,120,180	128,898,960	71.2	9.0	25.0
BITUMINOUS COAL & LIGNITE MINING	242,537,560	258,057,907	238,040,375	127,122,783	121,794,398	6.4	-7.8	-4.2
PRIMARY METAL INDUSTRIES	82,693,698	288,383,422	116,081,213	69,953,786	65,645,983	248.7	-59.7	-6.2
INSTRUMENTS AND RELATED PRODUCTS	82,699,590	97,530,706	98,153,281	53,982,860	63,637,056	17.9	0.6	17.9
FABRICATED METAL PRODUCTS	69,351,323	79,901,991	74,160,571	38,447,766	53,841,434	15.2	-7.2	40.0
SCRAP AND WASTE	62,940,144	113,058,514	72,572,807	25,490,074	37,726,448	79.6	-35.8	48.0
LUMBER AND WOOD PRODUCTS	93,005,547	80,400,989	95,416,161	45,035,717	35,563,130	-13.6	18.7	-21.0
RUBBER AND MISC. PLASTICS PRODUCTS	40,751,473	38,120,136	44,925,367	19,751,600	24,240,770	-6.5	17.9	22.7
APPAREL AND OTHER TEXTILE PRODUCTS	13,211,320	11,960,168	13,313,681	5,149,036	15,105,281	-9.5	11.3	193.4
FISHING, HUNTING, AND TRAPPING	30,671,280	26,947,940	21,730,943	9,848,198	14,651,163	-12.1	-19.4	48.8
CANADIAN, NON-CANADIAN GOODS RET'ND TO CAN	8,009,896	20,268,274	11,695,928	4,194,479	11,632,114	153.0	-42.3	177.3
TEXTILE MILL PRODUCTS	18,555,083	19,298,579	23,505,142	12,203,144	11,468,050	4.0	21.8	-6.0
STONE, CLAY, AND GLASS PRODUCTS	15,263,188	18,742,826	15,490,566	7,115,948	9,274,304	22.8	-17.4	30.3
NONMETALLIC MINERALS, EXCEPT FUELS	5,486,386	9,833,806	6,253,129	2,789,029	6,268,163	79.2	-36.4	124.7
USED OR SECOND-HAND MERCHANDISE	5,945,510	9,961,774	10,874,020	5,640,345	4,414,491	67.6	9.2	-21.7
MISC. MANUFACTURING INDUSTRIES	14,907,598	18,241,256	10,957,375	6,691,156	4,218,669	22.4	-39.9	-37.0
AGRICULTURAL PRODUCTION-LIVESTOCK	5,121,717	6,424,108	7,388,703	1,742,523	2,730,820	25.4	15.0	56.7
FURNITURE AND FIXTURES	10,932,393	5,381,035	5,986,528	3,213,164	2,148,419	-50.8	11.3	-33.1
SPECIAL CLASSIFICATION PROVISIONS, NSPF	2,504,882	3,096,139	5,972,391	2,921,705	2,037,016	23.6	92.9	-30.3
OIL AND GAS EXTRACTION	7,043,352	34,775,218	4,573,958	2,243,621	1,693,993	393.7	-86.8	-24.5
LEATHER AND LEATHER PRODUCTS	3,699,810	2,769,391	1,748,818	316,232	1,626,808	-25.1	-36.9	414.4
PRINTING AND PUBLISHING	1,908,346	7,946,515	2,289,146	1,116,126	1,619,926	316.4	-71.2	45.1
FORESTRY	2,676,780	4,586,726	2,845,687	1,566,234	421,069	71.4	-38.0	-73.1
METAL MINING	2,098,248	2,295,769	1,129,327	499,481	2,920	9.4	-50.8	-99.4
TOBACCO MANUFACTURES	0	11,411,241	0	0	0	NA	-100.0	NA

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SOURCE: Adjustments to data from U.S. Census Bureau, Foreign Trade Div. by MISER

LOUISIANA EXPORTS BY COUNTRY

SORTED BY 1997 Q2 YTD, TOTAL VALUE (\$'s)

State of Origin of Movement Series

Printed: 09/22/97 12:18

	1994	1995	1996	1996 Q2 YTD	1997 Q2 YTD	%Incr 94-95	%Incr 95-96	%Incr 96-97
TOTAL ALL COUNTRIES	15,559,651,980	21,059,453,457	22,737,680,188	11,455,104,987	9,869,193,951	35.3	8.0	-13.8
JAPAN	2,416,507,417	2,836,966,002	3,266,281,811	1,572,101,986	1,326,419,928	17.4	15.1	-15.6
NETHERLANDS	1,126,688,856	1,478,622,413	1,519,721,318	811,972,509	546,034,041	31.2	2.8	-32.8
CANADA	576,999,484	799,785,736	812,203,737	404,294,294	487,329,777	38.6	1.6	20.5
SPAIN	614,601,807	813,083,718	683,545,061	427,823,970	448,218,754	32.3	-15.9	4.8
MEXICO	753,206,168	663,826,317	1,180,041,087	698,928,623	438,001,588	-11.9	77.8	-37.3
KOREA, REPUBLIC OF	536,537,409	987,574,077	1,313,353,966	664,754,844	420,045,628	84.1	33.0	-36.8
CHINA (TAIWAN)	1,028,894,350	988,350,458	1,373,293,750	615,183,253	381,032,642	-3.9	38.9	-38.1
CHINA (MAINLAND)	386,429,408	1,533,224,331	1,109,723,350	330,282,032	329,776,258	296.8	-27.6	-0.2
BELGIUM	365,746,383	544,217,952	536,649,938	227,741,324	307,687,399	48.8	-1.4	35.1
VENEZUELA	347,327,062	396,579,365	395,485,361	230,748,666	284,854,206	14.2	-0.3	23.4
UNITED KINGDOM	303,058,787	389,027,892	388,055,154	213,815,443	271,804,982	28.4	-0.3	27.1
ITALY	289,415,320	479,991,897	452,021,232	262,290,241	262,183,941	65.8	-5.8	-0.0
COLOMBIA	274,155,300	475,237,561	563,430,205	285,419,654	229,808,836	73.3	18.6	-19.5
EGYPT	363,528,653	736,315,886	813,490,713	377,952,816	207,748,987	102.5	10.5	-45.0
INDONESIA	178,517,178	238,744,460	319,004,304	212,193,484	199,471,225	33.7	33.6	-6.0
GERMANY	365,964,656	430,464,905	505,711,577	248,129,539	196,341,932	17.6	17.5	-20.9
ISRAEL	227,672,849	298,593,585	331,103,774	202,658,254	182,566,007	31.2	10.9	-9.9
BRAZIL	556,119,452	504,601,085	313,712,416	131,417,789	177,730,754	-9.3	-37.8	35.2
SAUDI ARABIA	265,286,416	261,646,743	356,711,059	160,612,068	176,660,773	-1.4	36.3	10.0
DOMINICAN REPUBLIC	132,652,580	175,671,808	240,373,687	122,844,504	133,905,866	32.4	36.8	9.0
TURKEY	89,547,390	209,787,132	299,294,923	192,689,875	132,855,082	134.3	42.7	-31.1
JAMAICA	129,973,837	233,719,520	281,707,379	161,216,526	130,844,108	79.8	20.5	-18.8
PHILIPPINES	97,029,268	181,318,600	202,412,719	96,615,127	125,246,540	86.9	11.6	29.6
FRANCE	214,825,779	315,716,690	259,871,276	121,135,851	125,218,756	47.0	-17.7	3.4
AUSTRALIA	215,358,037	235,686,599	300,753,480	156,851,696	124,110,738	9.4	27.6	-20.9
THAILAND	93,904,868	198,224,806	300,535,053	176,150,873	107,768,769	111.1	51.6	-38.8
PORTUGAL	189,450,029	229,667,961	192,598,382	172,887,580	97,121,712	21.2	-16.1	-43.8
TRINIDAD AND TOBAGO	70,654,734	83,576,990	99,172,774	45,064,098	93,429,171	18.3	18.7	107.3
ARGENTINA	73,557,646	116,919,062	140,162,059	70,142,958	91,585,412	58.9	19.9	30.6
EL SALVADOR	93,478,447	112,215,783	138,672,263	56,687,662	90,870,394	20.0	23.6	60.3
ALGERIA	355,524,336	272,035,403	169,841,898	89,306,027	89,843,442	-23.5	-37.6	0.6
REPUBLIC OF SOUTH AFRICA	89,873,781	170,537,925	177,899,544	108,265,183	84,619,394	89.8	4.3	-21.8
MALAYSIA	74,338,679	207,838,636	257,632,888	98,891,995	81,620,818	179.6	24.0	-17.5
SINGAPORE	275,378,869	182,022,594	175,544,707	68,541,420	81,466,549	-33.9	-3.6	18.9

PREPARED BY: Massachusetts Institute for Social and Economic Research

SOURCE: Adjustments to data from U.S. Census Bureau, Foreign Trade Div. by MISER

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MISER STATE DATA CENTER

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	1994	1995	1996	1996 Q2 YTD	1997 Q2 YTD	%Incr 94-95	%Incr 95-96	%Incr 96-97
TOTAL ALL COUNTRIES	15,559,651,980	21,059,453,457	22,737,680,188	11,455,104,987	9,869,193,951	35.3	8.0	-13.8
GUATEMALA	122,516,888	160,263,521	159,632,283	85,174,328	79,951,998	30.8	-0.4	-6.1
COSTA RICA	144,421,026	132,679,240	221,107,608	123,117,157	77,568,184	-8.1	66.6	-37.0
HONG KONG	72,977,462	122,797,004	130,267,420	70,615,808	75,923,724	68.3	6.1	7.5
CHILE	166,775,158	189,085,883	167,791,449	77,454,449	68,721,195	13.4	-11.3	-11.3
ECUADOR	34,808,947	125,127,164	109,219,547	63,011,978	65,280,771	259.5	-12.7	3.6
IRELAND	133,112,967	146,052,842	107,995,118	80,391,168	62,170,321	9.7	-26.1	-22.7
PANAMA	82,807,235	121,453,270	121,833,988	61,078,325	57,696,221	46.7	0.3	-5.5
INDIA	43,690,918	82,794,537	52,730,336	24,988,932	52,379,353	89.5	-36.3	109.6
UNITED ARAB EMIRATES	36,488,466	72,491,233	76,693,698	50,958,608	50,895,213	98.7	5.8	-0.1
GREECE	50,575,316	59,310,237	65,628,796	34,504,571	49,234,560	17.3	10.7	42.7
PERU	108,319,880	181,454,383	187,016,953	89,191,818	45,972,369	67.5	3.1	-48.5
GHANA	35,470,847	45,063,126	79,573,552	30,213,353	45,939,870	27.0	76.6	52.1
RUSSIA	62,760,928	102,494,312	96,368,492	43,828,628	44,723,971	63.3	-6.0	2.0
HONDURAS	41,313,936	78,890,484	79,116,609	40,161,701	40,797,706	91.0	0.3	1.6
SWITZERLAND	63,318,385	78,515,376	100,760,069	55,572,960	39,031,102	24.0	28.3	-29.8
DENMARK	15,170,776	55,325,369	46,550,121	23,831,712	37,311,160	264.7	-15.9	56.6
HAITI	19,624,252	66,690,917	65,139,964	32,506,102	35,902,550	239.8	-2.3	10.4
LEBANON	18,718,577	47,171,319	40,974,957	20,397,349	29,696,562	152.0	-13.1	45.6
NICARAGUA	21,621,578	28,939,434	37,750,875	17,199,391	26,936,708	33.8	30.4	56.6
SURINAME	56,069,009	92,632,327	97,507,168	62,284,529	24,343,544	65.2	5.3	-60.9
NORWAY	41,991,412	55,022,961	54,017,888	39,071,444	22,595,873	31.0	-1.8	-42.2
SWEDEN	29,530,655	21,832,402	27,923,684	15,562,094	21,288,330	-26.1	27.9	36.8
MOROCCO	69,711,543	66,822,839	148,673,941	76,360,695	21,214,440	-4.1	122.5	-72.2
TUNISIA	63,778,161	43,957,644	32,038,639	13,570,013	19,406,482	-31.1	-27.1	43.0
NIGERIA	29,174,881	20,124,084	49,363,949	23,193,663	16,466,232	-31.0	145.3	-29.0
SYRIAN ARAB REPUBLIC	11,703,392	41,885,040	30,713,553	17,849,563	15,445,508	257.9	-26.7	-13.5
JORDAN	48,928,522	88,692,503	75,401,504	33,426,787	14,479,621	81.3	-15.0	-56.7
NEW ZEALAND	30,730,546	46,294,687	41,368,441	18,863,081	13,911,302	50.6	-10.6	-26.3
FINLAND	5,456,542	13,641,991	25,279,825	7,341,267	11,514,833	150.0	85.3	56.9
BARBADOS	2,515,113	3,057,583	3,591,249	2,592,916	11,296,474	21.6	17.5	335.7
CAMEROON	7,537,785	6,127,853	13,746,635	10,137,959	10,640,648	-18.7	124.3	5.0
YEMEN ARAB REPUBLIC	509,889	4,927,974	2,697,025	777,711	10,236,671	866.5	-45.3	1,216.3
ANGOLA	27,283,819	21,038,166	19,292,477	5,559,842	10,197,284	-22.9	-8.3	83.4
BOSIA-HERCEGOVINA	25,451,908	2,853,771	5,607,715	5,607,715	9,859,416	-88.8	96.5	75.8
CYPRUS	8,808,226	15,242,978	18,138,672	9,820,950	9,344,257	73.1	19.0	-4.9
UKRAINE	28,887,238	15,986,850	34,642,174	2,814,881	8,467,472	-44.7	116.7	200.8
KENYA	18,288,766	15,251,479	5,714,226	938,836	7,572,326	-16.6	-62.5	706.6
NETHERLANDS ANTILLES	9,842,020	38,336,477	31,327,831	8,937,326	6,989,613	289.5	-18.3	-21.8
KUWAIT	8,848,896	14,512,859	14,761,970	7,945,189	6,940,802	64.0	1.7	-12.6

PREPARED BY: Massachusetts Institute for Social and Economic Research
 SOURCE: Adjustments to data from U.S. Census Bureau. Foreign Trade Div. by MISER

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	1994	1995	1996	1996 Q2 YTD	1997 Q2 YTD	%Incr 94-95	%Incr 95-96	%Incr 96-97
TOTAL ALL COUNTRIES	15,559,651,980	21,059,453,457	22,737,680,188	11,455,104,987	9,869,193,951	35.3	8.0	-13.8
ARUBA	22,342,146	11,189,735	16,089,056	7,749,996	6,895,750	-49.9	43.8	-11.0
HUNGARY	432,535	3,733,235	1,192,763	818,431	6,458,054	763.1	-68.1	689.1
POLAND	17,157,391	43,028,289	56,292,823	11,565,046	6,446,790	150.8	30.8	-44.3
MOZAMBIQUE	10,924,405	15,056,501	3,303,132	592,183	6,443,865	37.8	-78.1	988.2
ETHIOPIA (NEW)	33,555,560	19,787,605	36,223,333	12,561,766	6,431,663	-41.0	83.1	-48.8
CROATIA	30,522,105	14,698,218	5,491,306	567,226	6,308,643	-51.8	-62.6	1,012.2
ROMANIA	7,216,355	20,937,166	18,489,160	7,664,617	6,277,336	190.1	-11.7	-18.1
TANZANIA	7,037,006	10,220,504	2,234,013	488,386	5,939,173	45.2	-78.1	1,116.1
GUYANA	12,383,449	13,528,506	15,279,443	7,370,027	5,226,629	9.2	12.9	-29.1
BAHAMAS	41,678,035	51,673,722	57,696,640	37,243,944	4,674,327	24.0	11.7	-87.4
RWANDA	15,603,109	27,468,393	10,478,545	8,130,483	4,347,543	76.0	-61.9	-46.5
BAHRAIN	27,187,242	40,646,809	36,375,955	19,137,701	4,154,695	49.5	-10.5	-78.3
GIBRALTAR	11,372	0	0	0	4,065,324	-100.0	NA	NA
ESTONIA	0	52,744,106	21,496,680	7,280,151	3,891,004	NA	-59.2	-46.6
GEORGIA	2,697,459	1,862,200	11,207,705	1,500,000	3,836,202	-31.0	501.9	155.7
CAPE VERDE	1,302,537	2,366,379	2,548,361	0	3,678,662	81.7	7.7	NA
BELIZE	5,466,146	2,238,810	3,776,329	1,369,856	3,592,076	-59.0	68.7	162.2
AUSTRIA	7,862,828	3,908,451	6,153,252	2,835,629	3,302,923	-50.3	57.4	16.5
URUGUAY	2,656,782	4,624,353	4,121,216	2,723,537	3,229,028	74.1	-10.9	18.6
SIERRA LEONE	3,588,290	1,143,239	4,736,982	1,527,867	3,073,019	-68.1	314.3	101.1
BANGLADESH	12,542,614	37,416,191	906,645	675,413	2,710,446	198.3	-97.6	301.3
UGANDA	5,286,491	4,202,213	1,979,220	1,517,285	2,481,323	-20.5	-52.9	63.5
ST. HELENA	1,625,217	81,531	12,143,422	3,165,117	2,342,457	-95.0	4,794.2	-26.0
LITHUANIA	18,133,412	7,045,450	12,805,072	476,034	2,325,126	-61.1	81.7	388.4
IVORY COAST	16,566,163	41,032,136	18,205,946	5,143,698	2,194,655	147.7	-55.6	-57.3
BOLIVIA	14,844,142	7,188,453	3,466,520	1,122,711	2,068,716	-51.6	-51.8	84.3
ICELAND	498,955	807,929	2,646,516	694,336	1,771,044	61.9	227.6	155.1
SLOVENIA	1,079,637	1,982,719	10,355,096	3,968,601	1,758,337	83.6	422.3	-55.7
NAMIBIA	1,411,457	1,006,463	2,371,035	41,083	1,662,832	-28.7	135.6	3,947.5
NIGER	106,089	988,823	23,620	4,558	1,526,650	832.1	-97.6	3,393.9
GRENADA	942,318	2,447,214	4,280,204	2,390,129	1,518,501	159.7	74.9	-36.5
SENEGAL	11,158,632	5,199,385	6,561,995	1,340,514	1,474,524	-53.4	26.2	10.0
PAKISTAN	9,819,850	30,669,129	36,402,478	9,500,669	1,425,880	212.3	18.7	-85.0
OMAN	520,380	2,357,535	2,594,033	417,289	1,403,642	353.0	10.0	236.4
TOGO	700,457	4,183,426	1,109,950	0	1,093,230	497.2	-73.5	NA
PAPUA NEW GUINEA	2,457,769	2,545,705	2,059,614	1,800,726	936,873	3.6	-19.1	-48.0
CZECH REPUBLIC	2,440,857	1,271,849	1,055,164	512,424	825,633	-47.9	-17.0	61.1
THE GAMBIA	13,500	684,171	21,725	7,819	795,902	4,967.9	-96.8	10,079.1
KYRGYZSTAN	983,105	6,508,098	0	0	768,121	562.0	-100.0	NA

PREPARED BY: Massachusetts Institute for Social and Economic Research
 SOURCE: Adjustments to data from U.S. Census Bureau, Foreign Trade Div. by MISER

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	1994	1995	1996	1996 Q2 YTD	1997 Q2 YTD	%Incr 94-95	%Incr 95-96	%Incr 96-97
TOTAL ALL COUNTRIES	15,559,651,980	21,059,453,457	22,737,680,188	11,455,104,987	9,869,193,951	35.3	8.0	-13.8
GUINEA	909,265	13,355,674	2,404,553	800,347	760,764	1,368.8	-82.0	-4.9
MAURITANIA	78,853	52,386	122,602	83,410	743,507	-33.6	134.0	791.4
LESOTHO	1,271,878	0	1,939,336	1,462,153	729,547	-100.0	NA	-50.1
SUDAN	14,628,102	5,524,367	2,792,314	2,152,121	715,726	-62.2	-49.5	-66.7
MADAGASCAR	876,163	574,093	839,212	657,018	715,610	-34.5	46.2	8.9
BURKINA	0	1,263,155	2,093,930	2,042,981	692,814	NA	65.8	-66.1
GUADELOUPE	1,367,947	1,972,626	1,828,234	1,228,161	683,119	44.2	-7.3	-44.4
SRI LANKA	14,865,669	4,328,173	5,176,881	944,768	676,291	-70.9	19.6	-28.4
VIETNAM	842,541	4,259,395	9,541,776	8,786,439	655,193	405.5	124.0	-92.5
IRAQ	0	0	2,794,459	0	654,001	NA	NA	NA
GABON	466,853	4,802,377	356,841	276,090	638,266	928.7	-92.6	131.2
CONGO	6,510,179	9,303,786	7,398,603	535,217	634,070	42.9	-20.5	18.5
QATAR	1,079,252	4,671,500	1,127,629	588,068	620,760	332.8	-75.9	5.6
BENIN	1,009,629	2,658,926	518,510	233,478	586,978	163.4	-80.5	151.4
PARAGUAY	894,897	22,918,292	2,471,096	562,995	550,097	2,461.0	-89.2	-2.3
MONTserrat	3,985	0	0	0	521,733	-100.0	NA	NA
SEYCHELLES	0	0	0	0	490,027	NA	NA	NA
MARTINIQUE	747,869	1,039,204	1,552,649	417,907	469,880	39.0	49.4	12.4
ERITREA	0	207,548	7,581,443	1,191,504	441,306	NA	3,552.9	-63.0
ZAMBIA	2,424,959	244,248	1,162,854	1,106,247	432,869	-89.9	376.1	-60.9
UZBEKISTAN	7,956	1,061,564	9,024,648	6,524,132	422,785	13,242.9	750.1	-93.5
LIBERIA	25,077,872	5,268,327	9,766,873	9,245,929	393,117	-79.0	85.4	-95.7
ZAIRE	524,387	1,773,084	4,113,738	4,068,769	332,168	238.1	132.0	-91.8
DOMINICA	946,164	901,101	471,944	191,190	329,881	-4.8	-47.6	72.5
MAURITIUS	92,208	239,648	97,561	90,349	318,925	159.9	-59.3	253.0
ZIMBABWE	593,013	320,077	634,933	41,089	317,972	-46.0	98.4	673.9
ANTIGUA	278,297	1,241,855	696,970	515,940	312,396	346.2	-43.9	-39.5
MALTA AND GOZO	122,845	2,650,449	13,561,668	10,942,406	295,873	2,057.6	411.7	-97.3
FRENCH GUIANA	114,709	214,264	166,661	60,273	290,537	86.8	-22.2	382.0
MACAO	380,491	76,678	265,171	234,898	221,027	-79.8	245.8	-5.9
AFGANISTAN	106,693	0	180,124	93,790	196,666	-100.0	NA	109.7
KIRIBATI	38,965	0	0	0	144,590	-100.0	NA	NA
ST. CHRISTOPHER-NEVIS	37,589	184,190	1,260,203	1,250,498	140,615	390.0	584.2	-88.8
SWAZILAND	2,324,806	1,743,194	13,139	0	137,780	-25.0	-99.2	NA
CAYMAN ISLANDS	58,372	196,850	550,846	23,930	116,991	237.2	179.8	388.9
ST. LUCIA	1,329,307	3,361,529	785,631	174,149	104,675	152.9	-76.6	-39.9
LATVIA	277,208	428,478	120,130	67,247	98,713	54.6	-72.0	46.8
ANGUILLA	214,280	264,056	226,027	95,317	98,680	23.2	-14.4	3.5
DJIBOUTI	9,868	308,592	0	0	89,839	3,027.2	-100.0	NA

PREPARED BY: Massachusetts Institute for Social and Economic Research
 SOURCE: Adjustments to data from U.S. Census Bureau, Foreign Trade Div. by MISER

	1994	1995	1996	1996 Q2 YTD	1997 Q2 YTD	%Incr 94-95	%Incr 95-96	%Incr 96-97
TOTAL ALL COUNTRIES	15,559,651,980	21,059,453,457	22,737,680,188	11,455,104,987	9,869,193,951	35.3	8.0	-13.8
BERMUDA	357,280	346,259	71,204	13,325	79,352	-3.1	-79.4	495.5
LUXEMBOURG	933,857	236,628	282,771	170,488	62,482	-74.7	19.5	-63.4
GREENLAND	6,000	0	0	0	42,000	-100.0	NA	NA
AZERBAIJAN	633,440	3,914,780	1,441,437	877,610	37,429	518.0	-63.2	-95.7
MALI	133,603	56,089	90,574	1,860	34,827	-58.0	61.5	1,772.4
NEW CALEDONIA	116,930	178,098	85,281	50,026	29,248	52.3	-52.1	-41.5
FRENCH POLYNESIA	150,110	36,693	56,974	38,538	23,706	-75.6	55.3	-38.5
CAMBODIA	0	3,240,488	36,366	26,035	20,414	NA	-98.9	-21.6
ALBANIA	7,368,527	4,286,281	4,546,974	4,507,811	19,249	-41.8	6.1	-99.6
FIJI	0	13,368	13,587	10,407	15,237	NA	1.6	46.4
NEPAL	0	21,290	10,322	10,322	14,212	NA	-51.5	37.7
LAOS	22,093	0	241,290	197,500	13,160	-100.0	NA	-93.3
BRITISH VIRGIN ISLANDS	66,426	52,669	590,396	23,547	13,024	-20.7	1,021.0	-44.7
BRUNEI	304,051	161,363	66,022	45,765	13,000	-46.9	-59.1	-71.6
TURKMENISTAN	16,910,542	0	3,959	3,959	12,843	-100.0	NA	224.4
SLOVAK REPUBLIC	532,962	101,959	106,705	70,256	12,025	-80.9	4.7	-82.9
NIUE	0	42,296	18,680	8,729	9,570	NA	-55.8	9.6
SAO TOME AND PRINCIPE	141,797	547,496	4,291	4,291	7,663	286.1	-99.2	78.6
BOTSWANA	0	97,711	1,478,311	1,388,851	5,891	NA	1,412.9	-99.6
ARMENIA	641,621	2,068,951	8,027,468	178,429	4,672	222.5	288.0	-97.4
MACEDONIA	2,606,618	0	0	0	4,671	-100.0	NA	NA
MONACO	69,100	26,886	128,606	56,460	4,016	-61.1	378.3	-92.9
NORTH KOREA	0	8,778	3,512	0	3,929	NA	-60.0	NA
PALAU	0	0	0	0	3,785	NA	NA	NA
YUGOSLAVIA(NEW)	0	188,100	6,648,065	6,640,395	3,150	NA	3,434.3	-100.0
WESTERN SAMOA	0	0	0	0	2,935	NA	NA	NA
BULGARIA	244,127	316,364	19,903,557	4,059,721	0	29.6	6,191.3	-100.0
BYELARUS	15,985,961	14,887,052	9,419,346	9,419,346	0	-6.9	-36.7	-100.0
MOLDOVA	7,477,046	1,679,625	5,637,037	0	0	-77.5	235.6	NA
SOMALIA	12,448,084	3,079,742	2,410,788	2,410,788	0	-75.3	-21.7	-100.0
TAJIKISTAN	0	3,552,236	902,662	658,221	0	NA	-74.6	-100.0
KAZAKHSTAN	39,113	3,436,507	375,768	375,768	0	8,686.1	-89.1	-100.0
MONGOLIA	1,171,003	39,593	299,909	299,909	0	-96.6	657.5	-100.0
REUNION	0	0	231,463	16,034	0	NA	NA	-100.0
ST. VINCENT	2,454,024	1,455,797	199,001	99,371	0	-40.7	-86.3	-100.0
ANDORRA	0	976,637	194,905	172,080	0	NA	-80.0	-100.0
EQUATORIAL GUINEA	419,224	12,540	92,781	82,927	0	-97.0	639.9	-100.0
BURUNDI	9,197,098	545,627	73,681	0	0	-94.1	-86.5	NA
GUINEA-BISSAU	20,711	207,508	70,500	70,500	0	901.9	-66.0	-100.0

PREPARED BY: Massachusetts Institute for Social and Economic Research

SOURCE: Adjustments to data from U.S. Census Bureau, Foreign Trade Div. by MISER

	1994	1995	1996	1996 Q2 YTD	1997 Q2 YTD	%Incr 94-95	%Incr 95-96	%Incr 96-97
TOTAL ALL COUNTRIES	15,559,651,980	21,059,453,457	22,737,680,188	11,455,104,987	9,869,193,951	35.3	8.0	-13.8
CENTRAL AFRICAN REPUBLIC	369,863	212,343	52,435	11,988	0	-42.6	-75.3	-100.0
MALAWI	3,433,588	6,327,135	40,720	31,947	0	84.3	-99.4	-100.0
SOLOMON ISLANDS	13,486	87,152	19,256	3,126	0	546.2	-77.9	-100.0
BURMA	0	18,000	8,568	0	0	NA	-52.4	NA
MARSHALL ISLANDS	0	25,884	4,700	4,700	0	NA	-81.8	-100.0
TURKS AND CAICOS ISLANDS	0	68,735	2,932	2,932	0	NA	-95.7	-100.0
IRAN	71,661,359	103,827,748	0	0	0	44.9	-100.0	NA
COMOROS	0	450,408	0	0	0	NA	-100.0	NA
SAN MARINO	0	55,324	0	0	0	NA	-100.0	NA
FAROE ISLAND	3,960	31,770	0	0	0	702.3	-100.0	NA
TONGA	0	10,511	0	0	0	NA	-100.0	NA
LIECHTENSTEIN	3,067	2,698	0	0	0	-12.0	-100.0	NA
CHAD	685,367	0	0	0	0	-100.0	NA	NA
ST. PIERRE AND MIQUELON	13,974	0	0	0	0	-100.0	NA	NA

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PORT OF NEW ORLEANS
PUBLIC & PRIVATE FACILITIES
CARGO ACTIVITY REPORT
JAN - DEC 1996 VS. JAN - DEC 1995

ATTACHMENT III

(in short tons of 2,000 pounds)

	<u>96</u> <u>JAN-DEC</u>	<u>95</u> <u>JAN-DEC</u>	<u>96/95 %</u>
GENERAL CARGO			
Board-Owned Container Facilities	2,648,874	3,216,840	-17.66%
Board-Owned General Cargo Facilities	6,101,413	6,154,992	-0.87%
SUB TOTAL	8,750,287	9,371,832	-6.63%
Non-Board Private Facilities	1,288,092	1,115,531	15.47%
TOTAL GENERAL CARGO	10,038,379	10,487,363	-4.28%
<u>BULK CARGO</u>			
Board-Owned Bulk Facilities	929,556	831,297	11.82%
Export Grain Facilities	12,529,500	11,863,661	5.61%
Non-Board Private Facilities	17,053,739	13,885,425	22.82%
TOTAL BULK CARGO	30,512,795	26,580,383	14.79%
TOTAL PORTWIDE CARGO	40,551,174	37,067,746	9.40%
 Container units	 173,919	 198,424	 -12.35%

Sources:

Journal of Commerce P.I.E.R.S. database
Port Billing System
Crescent River Port Pilots Association

FEBRUARY 1997

**NEW ORLEANS TRADE WITH THE WORLD
TOTAL CARGO: IMPORTS AND EXPORTS
CALENDAR YEAR 1996**

IMPORTS AND EXPORTS IN SHORT TONS:

<u>AREA AND COUNTRY</u>	<u>SHORT TONS</u>	<u>PERCENTAGE OF TOTAL</u>
TOTAL.....	69,964,124	100.0%
Asia	21,862,412	31.2%
Europe	16,675,546	23.8%
South America	13,002,015	18.6%
Central America*	9,461,173	13.5%
Africa	7,920,367	11.3%
Canada	692,504	1.0%
Australia & Oceania	350,107	0.5%

Latin America.	22,463,188	32.1%
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PRINCIPAL COUNTRIES

Venezuela	6,901,491	9.9%
Mexico	5,792,340	8.3%
Japan	5,529,407	7.9%
Spain	3,141,066	4.5%
United Kingdom	2,995,644	4.3%
Taiwan	2,992,639	4.3%
China	2,797,286	4.0%
Saudi Arabia	2,543,970	3.6%
Brazil	2,411,712	3.4%
South Korea	2,132,074	3.0%
ALL OTHERS	32,726,495	46.8%

IMPORTS AND EXPORTS IN THOUSANDS OF DOLLARS

<u>AREA AND COUNTRY</u>	<u>DOLLAR VALUE</u>	<u>PERCENTAGE OF TOTAL</u>
TOTAL.....	18,359,061	100.0%
Asia	5,250,351	28.6%
Europe	4,981,008	27.1%
South America	3,431,251	18.7%
Central America*	2,880,559	15.7%
Africa	1,604,216	8.7%
Australia & Oceania	129,602	0.7%
Canada	82,074	0.4%

Latin America.	6,311,810	34.4%
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PRINCIPAL COUNTRIES

Japan	1,365,045	7.4%
Venezuela	970,671	5.3%
Mexico	893,400	4.9%
Brazil	867,688	4.7%
Russia	717,365	3.9%
Germany	680,774	3.7%
Belgium	627,040	3.4%
Indonesia	621,212	3.4%
China	590,531	3.2%
Chile	545,437	3.0%
ALL OTHERS	10,479,898	57.1%

*Includes Mexico and the Caribbean

Source: U.S. Dept of Commerce

(EXCLUDES PUERTO RICAN DATA)

**LOWER MISSISSIPPI RIVER TRADE WITH THE WORLD
TOTAL CARGO: IMPORTS AND EXPORTS
CALENDAR YEAR 1994**

<u>REGION</u>	<u>STONS</u>
AFRICA	20,354,592
ASIA	55,412,600
EUROPE	42,007,898
LATIN AMER	64,234,766
N. AMER	1,933,739
TOTAL	183,943,595

**LOWER MISSISSIPPI RIVER TRADE WITH THE WORLD
TOTAL CARGO: IMPORTS AND EXPORTS
CALENDAR YEAR 1995**

<u>REGION</u>	<u>STONS</u>
AFRICA	20,466,388
ASIA	64,993,702
EUROPE	46,883,233
LATIN AMER	67,201,506
N. AMER	1,668,545
TOTAL	201,213,374

**LOWER MISSISSIPPI RIVER TRADE WITH THE WORLD
TOTAL CARGO: IMPORTS AND EXPORTS
CALENDAR YEAR 1996**

<u>REGION</u>	<u>STONS</u>
AFRICA	N/A
ASIA	N/A
EUROPE	N/A
LATIN AMER	N/A
N. AMER	N/A
TOTAL	N/A

Source: U.S. Dept of Commerce
(EXCLUDES PUERTO RICAN DATA)

Lower Mississippi Ports Exports to the World

Measured in short tons and thousands of U.S. dollars
Calendar year 1995

<u>Region and Country of Destination</u>	<u>Short Tons</u>	<u>Value (000)</u>
AFRICA		
Morocco	909,958	62,899
Algeria	884,743	204,021
Tunisia	238,891	42,810
Egypt	4,720,572	692,171
Sudan	15,818	4,241
Equatorial Guinea	20	13
Mauritania	46	335
Cameroon	32,185	6,478
Senegal	25,732	4,716
Mali	144	1,286
Guinea	758	751
Sierra Leone	102	224
Ivory Coast	105,115	34,761
Ghana	165,667	48,221
Gambia	638	154
Niger	4,409	851
Togo	12,011	2,735
Nigeria	48,276	15,371
Gabon	7,068	3,508
St. Helena	26	31
Burkina	774	596
Benin	4,967	3,843
Angola	58,617	53,148
Congo	5,023	4,820
Cape Verde	25,788	1,819
Liberia	1,293	3,015
Zaire	2,748	1,882
Burundi	612	453
Rwanda	103,663	13,268
Somalia	3,948	3,080
Ethiopia	4,563	2,824
Eritrea	94,970	24,958
Djibouti	4,626	1,313
Uganda	5,521	5,378
Kenya	50,325	15,080
Tanzania	66,082	10,285
Mauritius	13	94
Mozambique	123,073	17,266
Madagascar	826	422
Comoros	4	11
South Africa	836,144	195,847
Namibia	7,001	1,039
Zambia	22,499	3,233
Swaziland	14,152	1,723
Zimbabwe	358	727
Malawi	75,173	7,831
Lesotho	8,841	1,061

Lower Mississippi Ports Exports to the World

Measured in short tons and thousands of U.S. dollars
Calendar year 1995

Region and Country of Destination	Short Tons	Value (000)
Total	8,693,783	1,500,593
ASIA		
Syria	341,609	39,453
Lebanon	353,959	44,085
Iran	494,166	90,430
Israel	1,718,818	312,660
Gaza Strip	22	20
Jordan	416,459	60,651
Kuwait	19,433	14,970
Saudi Arabia	1,512,865	286,387
Qatar	21,623	2,926
United Arab Emirates	233,238	222,159
Republic of Yemen	73,704	11,836
Oman	665	516
Bahrain	147,030	25,273
India	406,750	196,552
Pakistan	41,876	22,247
Nepal	537	695
Bangladesh	189,271	34,557
Sri Lanka	23,389	3,059
Burma	4	765
Thailand	372,895	141,765
Viet Nam	22,064	2,809
Laos	30	201
Cambodia	7,735	2,252
Malaysia	1,176,216	177,430
Singapore	598,345	125,407
Indonesia	997,774	176,571
Brunei	3	47
Philippines	747,996	152,679
China	8,483,497	1,516,831
Mongolia	5	45
South Korea	5,491,756	979,871
Hong Kong	81,917	53,827
Taiwan	6,117,669	942,662
Japan	20,610,014	2,724,967
Australia	401,896	93,868
Papua New Guinea	16,409	2,027
New Zealand	53,310	32,559
Vanatua	15	298
Marshall Islands	19	22
Total	51,174,983	8,495,379
EUROPE		
Iceland	6	23
Sweden	15,395	18,104
Norway	249,697	51,206
Finland	97,343	17,740
Faroe Islands	95	148

Lower Mississippi Ports Exports to the World

Measured in short tons and thousands of U.S. dollars
Calendar year 1995

Region and Country of Destination	Short Tons	Value (000)
EUROPE		
Denmark	534,102	54,691
United Kingdom	2,472,426	467,824
Ireland	1,363,180	153,420
Netherlands	8,896,867	1,624,046
Belgium	1,912,232	791,082
Luxembourg	2,148	1,808
Andorra	5	15
France	1,391,796	309,984
Federal Republic of Germany	2,206,649	491,533
Austria	3,496	4,805
Czech Republic	248	561
Slovakia	28	161
Hungary	15,568	4,899
Switzerland	102,937	82,272
Estonia	215,224	68,452
Latvia	1,182	1,143
Lithuania	46,297	6,642
Poland	149,365	38,909
Russia	259,996	96,293
Byelarus	85,542	16,694
Ukraine	83,039	17,545
Azerbaijan	19	20
Georgia	2,377	1,411
Kazakhstan	53	75
Kyrgyzstan	1,162	1,985
Moldova	10,838	1,929
Tajikistan	15	14
Uzbekistan	445	2,397
Spain	7,971,950	847,175
Portugal	1,708,096	230,791
Malta	20,395	2,465
Italy	3,696,849	537,463
Croatia	31,071	9,178
Slovenia	12,110	3,369
Macedonia	4	211
Albania	7,369	4,122
Greece	226,935	206,319
Romania	718,187	52,967
Bulgaria	53,170	4,311
Turkey	1,360,616	216,981
Cyprus	94,197	13,999
Total	36,020,721	6,457,182
LATIN AMERICA		
Mexico	2,855,928	498,711
Guatemala	719,127	226,101
Belize	21,908	6,800
El Salvador	455,262	118,182

Lower Mississippi Ports Exports to the World

Measured in short tons and thousands of U.S. dollars
Calendar year 1995

Region and Country of Destination	Short Tons	Value (000)
LATIN AMERICA		
Honduras	398,038	114,397
Nicaragua	102,649	23,819
Costa Rica	790,988	228,095
Panama	791,425	205,169
Bermuda	296	667
Bahamas	337,767	43,758
Jamaica	1,766,381	244,989
Cayman Islands	10	128
Haiti	135,446	51,631
Dominican Republic	1,229,236	188,840
Anguilla	22	36
St. Kitts & Nevis	124	95
Antigua & Barbuda	259	210
Montserrat	1	5
Dominica	214	232
St. Lucia	754	561
St. Vincent & Grenadines	44,020	7,737
Grenada	8,875	1,889
Barbados	87,638	14,913
Trinidad & Tobago	394,032	105,406
Netherlands Antilles	264,661	34,110
Aruba	128,814	20,887
Guadeloupe	1,067	822
Martinique	7	472
Colombia	1,789,980	535,756
Venezuela	2,153,836	458,015
Guyana	43,082	12,208
Suriname	64,693	52,957
Ecuador	353,119	103,764
Peru	926,070	194,798
Bolivia	15,222	18,169
Chile	774,127	245,917
Brazil	1,693,509	537,293
Paraguay	11,222	11,899
Uruguay	3,645	5,885
Argentina	205,794	92,071
Total	18,569,248	4,407,394
NORTH AMERICA		
Canada	609,788	93,609
Total	609,788	93,609
Total	115,068,523	20,954,157

The Patriarchal Visit
of
His All Holiness
BARTHOLOMEW
Archbishop of Constantinople, New Rome
and Ecumenical Patriarch
to the United States



on the Occasion of the 75th Anniversary of the
Greek Orthodox Archdiocese of America

October 19, 1997 - November 17, 1997

ARCHDIOCESAN DISTRICT

Washington, DC
October 19-22, 1997

Headquarters:

Greek Orthodox Archdiocese
10 East 79 Street
New York, NY 10021
Tel. (212) 570-3500
Fax (212) 861-2183

Hotel:

Sheraton Carlton Hotel
923 Sixteenth Street, NW
Washington, DC 20006
Tel (202) 638-2626
Fax (202) 638-4231

SUNDAY, OCTOBER 19

Joel the Prophet, Minason Bishop of Cyprus, Felix and Eusebios the Holy Martyrs

- | | |
|-------------------|---|
| 2:00 pm | Arrival of His All Holiness Ecumenical Patriarch Bartholomew at
Andrews Air Force Base |
| 2:15 pm - 3:00 pm | Official Welcome of His All Holiness by His Eminence Archbishop
Spyridon, the Chief of Protocol, Cabinet Members, Synod of Bishops,
Ambassadors, Orthodox Hierarchs, Ecumenical Leaders, Senators,
Congressmen, Clergy and Laity from throughout the United States |
| 3:30 pm - 4:30 pm | Doxology of Thanksgiving and Reception at SS. Constantine and Helen
Church (4115 Sixteenth Street, NW <> Tel. 202-829-2910,
Fax 202-729-8060) |
| 4:30 pm | Depart for the Sheraton Carlton Hotel |
| | Overview of Program
PRIVATE TIME |

MONDAY, OCTOBER 20

Gerasimos of Cephalonia and Matrona the Righteous

- | | |
|--------------------|--|
| 8:00 am - 9:00 am | Meeting with the Synod of Bishops at the Sheraton Carlton Hotel
(923 Sixteenth Street, NW <> Tel. 202-638-2626, Fax 202-638-4231) |
| 9:15 am - 11:15 am | Patriarchal Visit to the U.S. Holocaust Memorial Museum and
Meeting/Address with Jewish Leaders (100 Raul Wallenberg <>
Tel. 202-488-0400, Fax 202- 488-2628) |

MONDAY, OCTOBER 20 (Cont.)

11:45 am - 12:15 pm Private Meeting and General Reception followed by a
12:15 pm - 2:00 pm Luncheon in honor of His All Holiness hosted by His Excellency Nuzhet Kandemir, Ambassador of Turkey to the United States at the **Embassy of Turkey** (1714 Massachusetts Avenue, NW <> Tel. 202-659-8200, Fax 202-659-0744)

2:30 pm - 4:30 pm PRIVATE TIME

7:00 pm Reception and
7:30 pm - 10:00 pm Dinner in honor of His All Holiness hosted by Dr. James Billington, Librarian in the **Great Hall of the Library of Congress** (Jefferson Building) (101 Independence Avenue, SE <> Tel. 202-707-5218, Fax 202-767-9898)

TUESDAY, OCTOBER 21

Hilarion the Great and Christodoulos of Patmos, the Righteous, John the Neomartyr

9:00 am - 10:30 am Breakfast in honor of His All Holiness hosted by His Excellency Loucas Tsilas, Ambassador of Greece to the United States at the **Embassy of Greece** (2221 Massachusetts Avenue, NW <> Tel. 202-939-5800, Fax 202-939-5824)

11:00 am - 12:00 am Tribute in honor of His All Holiness by the U.S. Congress, Senators and House of Representatives, in the **Rotunda of the Capitol Building**

12:15 pm - 1:30 pm Luncheon in honor of His All Holiness hosted by the Speaker of the House, Newt Gingrich, in **Statuary Hall**.

2:00 pm - 4:00 pm PRIVATE TIME

4:30 pm - 5:00 pm Remarks on the occasion of the First Orthodox/Muslim Dialogue in America at the **Center for Muslim/Christian Understanding** at **Georgetown University** in the **Philademic Room of the Healy Building**.

5:30 pm - 6:30 pm Convocation and Honorary Degree in honor of His All Holiness hosted by the President, Rev. Leo J. O'Donovan in **Gaston Hall at Georgetown University** (37 and O Streets, NW <> Tel. 202-687-5055, Fax 202-687-6660). His All Holiness will offer an address on Orthodoxy and the West entitled "Joyful Light".

6:30 pm - 7:00 pm General Reception in the **Riggs Library**

7:30 pm - 10:00 pm Tribute in honor of His All Holiness on the Occasion of AHEPA's 75th Anniversary in the **East Room at Union Station** (50 Massachusetts Avenue <> Tel. 202-289-8300, Fax 202-289-7268)

WEDNESDAY, OCTOBER 22

The Seven Holy Martyred Children of Ephesus, Glykeria, Anna and Elizabeth the Martyrs

SIXTH ANNIVERSARY OF THE ELECTION
BY THE HOLY AND SACRED SYNOD OF
HIS ALL HOLINESS ECUMENICAL PATRIARCH BARTHOLOMEW

8:30 am - 10:00 am	Orthros and
10:00 am - 11:30 am	Divine Liturgy at Saint Sophia Cathedral (36 Street and Massachusetts Avenue, NW <> Tel. 202-333-4730, Fax 202-626-7173)
	Chorostasia by His All Holiness
12:30 pm - 1:15 pm	Meeting with President Bill Clinton at The White House (1600 Pennsylvania Avenue, NW <> Tel. 202-456-1414, Fax 202-456-2461)
1:15 pm - 3:00 pm	General Reception at The White House and Reciprocal Visit with The First Lady Hillary Rodham Clinton
3:00 pm - 4:00 pm	PRIVATE TIME
4:30 pm - 6:00 pm	Ecumenical Doxology in honor of His All Holiness hosted by the Presiding Bishop of the Episcopal Church, Edmund Browning at the Washington National Cathedral (Massachusetts and Wisconsin Avenues, NW <> Tel. 202-537-6200, Fax 202-364-6600)
7:30 pm - 10:00 pm	Dinner in honor of His All Holiness hosted by the Secretary of State, Madeleine Albright in the Ben Franklin Room at the State Department (2201 C Street, NW <> Tel. 202-647-4000, Fax 202-647-7120)

DIOCESE OF NEW JERSEY

Baltimore, Maryland
October 23, 1997

Headquarters:

Diocese of New Jersey
10 East 79 Street
New York, NY 10021
Tel. (212) 570-3523
Fax (212) 439-8377

Hotel:

Harbor Court Hotel
550 Light Street
Baltimore, MD 21202
Tel. (410) 234-0550
Fax (410) 659-5925

THURSDAY, OCTOBER 23

→ 8:00 Breakfast =

Time TBD
9:30 am

Apostle Iakovos, Brother of the Lord

Breakfast hosted by Vice President
Depart by motorcade for Baltimore, Maryland

10:30 am - 11:30 am

Pan-Orthodox Doxology and Reception at the **Annunciation Cathedral**
(24 West Preston Street <> Tel. 410-727-1831, Fax 410-727-7602)

11:45 am - 12:45 pm

Tribute in honor of His All Holiness by the Mayor of Baltimore,
Kurt Schmoke In Celebration of Baltimore's Bicentennial hosted by the
IOCC at City Hall (10 North Holiday Street <> Tel. 410-396-4873,
Fax 410-576-9425)

1:00 pm - 2:45 pm

Reception and Luncheon in honor of His All Holiness at the **Baltimore Convention Center**. (1 West Pratt Street <> Tel. 410-659-7000,
Fax 410-649-7008 - Director: Peggy Daidakis)

3:00 pm - 4:30 pm

PRIVATE TIME

5:00 pm - 6:15 pm

Patriarchal Visit to the **Basilica of the National Shrine of the Assumption of the Blessed Virgin Mary** (Cathedral and Mulberry Streets <>
Tel. 410-727-3564, Fax 410-539-0407)

THURSDAY, OCTOBER 23 (Cont.)

- 6:30 pm - 7:15 pm Reception in honor of His All Holiness at **The Walters Art Gallery**
(*Centre and Charles Streets <> Tel. 410-547-9000, Fax 410-783-7969*)
- 7:30 pm - 9:15 pm Dinner in honor of His All Holiness hosted by William Cardinal Keeler
at the **Cardinal's Residence** (*408 N. Charles Street <> Tel. 410-547-5437, Fax 410-727-8234*)
- 9:30 pm Depart **BWI Airport** for New York City
- 10:15 pm Arrival at **LGA Airport** and Official Welcome of His All Holiness by
Diplomats, Clergy, Archons, Philoptochos, Choir, YAL and Civic Leaders

AGENDA FOR MEETING TO DISCUSS VISIT OF
GREEK ORTHODOX PATRIARCH BARTHOLOMEW

SCHEDULE FOR VISIT

- Airport Arrival (who will greet)
- Call on President (10/22) -
- Blair House Lunch = 30 max. [12:30-2:00] → 1st Lt. Recept. / social office
- State Department Dinner =
- Vice President Breakfast 8:00 am → Residence - (canceled) ~ 3:30 pm. Tracy / Setti

PRESS HANDLING

- Announcement of Visit (done) [skills]
- Other Arrangements

OUTSTANDING LOGISTICAL ISSUES

- ~~Security (resolved)~~ DS
- ~~Vehicle (resolved)~~
- ~~Congressional Medal (Treasury)~~ ? Legis =
- ~~Flags (Recommend no)~~ NSC / State
- ~~Videotape (Request in)~~
- ~~Park Service turndown at Tahoe~~

SUBSTANTIVE ISSUE

- ① Istanbul Seminary Opening
- Fireproofing POTUS on Russian Religion Law
- Patriarch's Black Sea Initiative

② Environmental.
→ Green Patriarch.

Can you support?
→ C&E ~~ED~~

③ Greek-Turkish relations

④ Problems w/ Russian Orthodox Church
- rel of Belkin church statues.

⑤ Russian religion law
- rely. permanent law (?).

EPA has classified methyl bromide with substances exhibiting the greatest potential to deplete stratospheric ozone. Those are called Class I substances.

The air act requires production of compounds to cease within seven years after they are listed as a Class I substance. The deadline for methyl bromide is 2001.

The EPA official said the administration is not considering a Clean Air Act amendment that would change the seven-year deadline for the phaseout of Class I substances.

Condit's Objections. Meanwhile, Rep. Gary Condit (D-Calif), a member of the House Agriculture Committee, sent President Clinton a letter Sept. 22 expressing "strong objections" to the administration's position at the recent Montreal Protocol meeting.

The congressman asked for administration support in ensuring that methyl bromide remain available "on an equal basis" around the world. He pointed out that developing countries such as Mexico and Chile will have methyl bromide available for 18 more years.

Condit's letter assailed the interim cuts in methyl bromide consumption for industrialized countries. This "flies in the face of the commitments the administration made to farmers in Fresno, California, during your visit in the summer of 1995," Condit wrote.

California and Florida are the largest users of methyl bromide in the United States.

An industry source told BNA Sept. 19 that the 25 percent interim reduction in 1999 "really rubs salt in the wounds" of U.S. farmers and other users of methyl bromide.

"You are keenly aware of the great anxiety in the agricultural community about the current prospects of not finding an alternative for methyl bromide and the desire to look at legislative solutions to this problem," Condit's letter to the president said. "I would therefore ask for your support that the adoption of any new proposal on methyl bromide will not place U.S. agriculture at a competitive disadvantage with foreign agriculture competitors and that the use of methyl bromide remain available on an equal basis throughout the world."

Florida Lawmaker's Bill. An aide to Condit told BNA Sept. 23 that "we are considering the options" for legislation on the methyl bromide phaseout. The goal is for someone to have a bill introduced before the current session of the House ends this fall, the aide said. The panel with jurisdiction over the methyl bromide phaseout is the House Commerce Committee, the Condit aide said.

Rep. Dan Miller (R-Fla), who represents a state where methyl bromide is heavily used, is drafting a bill on methyl bromide, an aide to the congressman told BNA Sept. 23. Details on the bill are not available, the Miller aide said.

In the previous Congress, Miller introduced legislation (HR 2230) that would have made the U.S. ban on methyl bromide dependent on the existence of a "viable, cost-effective substitute." When Miller introduced his legislation in 1995, he said, "A unilateral phaseout by the United States will only shift production to countries that permit methyl bromide use."

Miller's aide told BNA that the probable introduction date for the legislation is during the week of Sept. 29.

Other Countries' Uses. Bill Thomas, director of EPA's methyl bromide phaseout program, told BNA that the agency is studying what kinds of changes need to be made to regulations in response to the recent decisions under the Montreal Protocol.

According to EPA materials, North America accounts for approximately 43 percent of the total global consumption of methyl bromide, with 88 percent of the continent's consumption taking place in the United States.

Thomas told BNA that there are three major makers of methyl bromide, one in Israel and the other two in the United States. As the chemical is phased out in the United States, the amount available worldwide will shrink and the prices will be driven up, according to Thomas, who added that whether growers in Mexico and other developing countries can afford the chemical "is subject to some question."

Once the phaseout takes place in the United States, "our growers will be on a far more level playing field" than is being portrayed, Thomas said.

The EPA materials on global methyl bromide consumption said Europe accounts for approximately 24 percent of total global consumption, Asia accounts for 24 percent, and other areas (South America, Africa, and Australia) together make up 9 percent of consumption.

According to EPA, the developing countries (known as Article 5 countries) with the largest consumption of methyl bromide include Brazil, Turkey, Mexico, Zimbabwe, Thailand, and Morocco.

By CHERYL HOGUE AND BRIAN BRODERICK

Materials on worldwide use of methyl bromide are available at the EPA's methyl bromide site <http://www.epa.gov/ozone/mbr/mbrqa.html> on the World Wide Web.

International Trade

House Consideration of Fast Track Must Follow Other Issues, Arney Says

House Majority Leader Richard Arney (R-Texas) Sept. 23 gave other legislative priorities precedence over a measure renewing the administration's fast-track negotiating authority for trade agreements, casting doubt on the prospects for passage of the legislation before Congress adjourns this year.

"I guess fast track will just have to take its place in the queue line compared to some of these other matters," Arney told reporters.

Arney said school choice, census taking methodology, and possibly transportation legislation should come up for votes before fast track.

The majority leader's leisurely view of fast-track contrasted with administration eagerness to pass the measure before Clinton travels to Latin America Oct. 10. Negotiations on regional trade liberalization are due to begin this fall and a summit of Western Hemisphere nations is scheduled for early 1998.

"Having that authority to negotiate agreements is important," said White House spokesman Mike McCurry at a press briefing.

Lott: Vote Possible by November. Meanwhile, Senate Majority Leader Trent Lott (R-Miss) listed fast-track as one of the Senate's priorities to finish this year. Speaking on the Senate floor, Lott said that fast-track might be one of the last issues to come up for consideration, but that it could be voted on by the end of October or early November.

Despite Arme's comments, the White House still believes it is possible for Congress to act on fast-track before it adjourns this year, McCurry said.

"We attach a much greater priority to it and we'll certainly try to move forward in spite of the concerns he's expressed," he said.

A senior White House aide said at a Brookings Institution conference Sept. 23 the administration has received "strong indications" from the House leadership that it plans to move ahead quickly with fast-track legislation. However, the official said it was still unclear whether the measure would be approved by Congress before President Clinton's visit to Latin America next month. The president is due to visit Brazil, Argentina, and Venezuela.

Fast track allows the administration to introduce a trade deal to Congress without allowing the legislative branch to amend the accord. U.S. trade negotiators and trading partners consider fast-track, which expired in 1993 after the conclusion of the Uruguay Round multilateral trade agreement, essential for working out trade liberalizing deals.

The administration has said that it needs fast track to negotiate trade agreements with Chile and other countries in the region.

Administration 'Very Hopeful.' Thomas F. (Mack) McLarty III, counselor to the president and special envoy for the Americas, said that the administration was hopeful that the legislation would "move forward" in Congress before the president's trip. But he said he could not predict passage.

"We are very hopeful—and have been given strong indications [by Republican and Democratic leaders in Congress]—that this legislation will move forward," he said. "What state it will be [in] I don't want to predict. But I think it's important that we see momentum and forward movement through the legislative process. I think we'll see that happening. . . ."

McLarty said that the administration has been encouraged by the fact that its legislative proposal for renewing fast track—introduced last week—has drawn criticism from both Republicans and Democrats.

"I think we are headed. . . in the right direction," he said, noting that the proposal has been "picking up noise" from those on the left and right of the political spectrum in Congress.

He said that the administration's proposal represented a "balanced agreement" worked out in consultations with Congress over the past few months.

But he said that some members were certain to introduce amendments to the administration's proposed legislation. "That's part of the legislative process," he said.

Negotiations Seen Moving Well. U.S. Trade Representative Charlene Barshefsky, who also spoke at the Brookings conference, told reporters after her address that she was continuing to meet with members of Congress on the issue, and that the discussions were "moving along quite well."

She said that she would be meeting with Sen. William V. Roth Jr. (R-Del), chairman of the Senate Finance Committee, on Sept. 23 and with Rep. Bill Archer (R-Texas), chairman of the House Ways and Means Committee, and Rep. David Dreier (R-Calif) on Sept. 24, as well as with a number of Democrats she did not identify.

Rep. Phil English (R-Pa), who also attended the conference, told reporters, however, that it was still not certain that there would be enough votes to move the legislation forward in the House. He said that passage was a "toss-up."

English, a member of the House Ways and Means Committee, said that he has been surprised by the number of Republicans who have expressed their opposition to the administration's plan. He said that he has still not decided how he will vote on the bill.

McLarty said that the administration would use fast track to negotiate, among other things, a "comprehensive" free trade agreement with Chile. But he said that it was still unclear what form that agreement would take, specifically whether Chile would be asked to accede to the North American Free Trade Agreement or whether the agreement would be a stand-alone bilateral accord.

"That's going to require further discussion [within the administration and with Chile]," he said.

Administration Open to Compromise. The accord should deal with non-tariff as well as tariff barriers to trade and have "strong" side agreements on labor and the environment such as those contained in NAFTA, he added.

A USTR spokesman, meanwhile, told BNA that the meetings between Barshefsky and various members of Congress were dealing broadly with the administration's proposal and with any concerns that members have.

"We're going in with an open mind," the spokesman said, adding that the legislation would have to move on a bipartisan basis. The administration is "certainly interested in ideas from Republicans, Democrats, and anyone interested in moving this agenda forward," the spokesman said.

The administration has had general staff-level discussions with House Ways and Means Committee staff and plans to "move forward from there," the spokesman said, adding that the committee staff was preparing a chairman's mark on fast-track authority. The USTR spokesman said that the administration's proposal is consistent with past uses of fast-track authority. The administration has made it clear that it has no plans to negotiate changes to domestic labor and environmental policy under fast-track procedures, the spokesman said.

International Body Reference Questioned. Meanwhile, a House GOP source told BNA that work was continuing on the Ways and Means Committee chairman's mark. "It's a long process," the aide said, adding that there had been some consultations with the administration on the less controversial aspects of its proposal.

Areas of concern to GOP members include the proposal's reference to the International Labor Organization, the aide, who spoke on background, said. As drafted, one can read the proposal as permitting the ne-

gotiation of an ILO agreement under fast-track procedures, the aide said.

The overall negotiating objectives in the president's proposal call for U.S. negotiators to address aspects "of foreign government policies and practices regarding labor, the environment, and other matters that are directly related to trade and decrease market opportunities for United States exports or distort United States trade."

The proposal also states that the United States was try to establish in the ILO a mechanism for reporting on enforcement of core labor standards. To be included in a fast-track bill, a provision would have to be "necessary or appropriate" to implement the trade agreement and directly related to trade.

The aide said that some sort of "common understanding" was also needed on what the terms trade-related and directly trade related meant. This will not be written into the statute but an understanding of these terms is necessary, the aide said. For example, the absence of collective bargaining rights in a certain country would not be considered to be a close enough nexus to trade, the GOP aide said.

Noting that GOP Senate lawmakers were also working on their own mark, the House aide said that "their position is very similar to ours" in many respects.

The aide reiterated that the major problem with the administration's proposal was the absence of a direct link between the negotiating objectives and what the president can bring back under fast-track procedures. The aide declined to discuss the contents of the chairman's mark under preparation.

However, the aide said that a 1995 GOP proposal on fast-track was being used as general guidance. That proposal, which was opposed by the administration, would have made fast-track authority applicable to implementing bills consisting only of provisions "directly related" to trade negotiating objectives and "necessary" to carry out the trade agreement.

Gephardt Calls NAFTA Failure. At a Pittsburgh, at the AFL-CIO's 22nd constitutional convention, House Minority Leader Richard Gephardt (D-Mo) said the White House should insist that enforceable labor and environmental standards be part of core trade agreements, calling such a stance "right and moral."

Gephardt told a crowd of union leaders that he would not vote for "fast-track" legislation unless it contains labor and environmental protections, which is the same position pushed by the AFL-CIO.

Gephardt, who voted in favor of the North American Free Trade Agreement, said he would not make the mistake again of voting for "vague" promises from the administration to address labor and environmental issues in side agreements. When Mexico, Canada, and the United States signed NAFTA, they agreed to adhere to labor principles in a side accord that was attached to the agreement.

The issue is not free trade, Gephardt said, but the rules of the game in the new global economy, a sentiment espoused during the convention by top AFL-CIO leaders and an array of union presidents. AFL-CIO Executive Vice President Linda Chavez-Thompson told reporters Sept. 22 that a politician's vote on NAFTA and fast track are the litmus test for determining whether union members will support that candidate.

Gephardt said the media has misconstrued his position and that of organized labor. He said he is not seeking to require other countries to adhere to U.S. labor and environmental laws but merely to enforce their own. This requirement should be part of the core trade pact, not a side agreement, and failure to enforce those standards should bring trade sanctions, he said.

"People are slowly but surely beginning to understand that environmental laws and labor laws are every bit as much important to be enforced as intellectual property laws and capital laws," Gephardt said, noting that the latter already are part of NAFTA. Gephardt called the pact's labor side accord "cosmetic" and "ineffectual" and said it has "gone nowhere" in bringing about change.

Gephardt said his seven or eight visits to the U.S.-Mexico border in the past few years have proven that the trade agreement "is not working." He showed photos of shanty homes in front of "gleaming, new high-tech" plants that were built along the border and drainage ditches filled with raw sewage. This, he said, is what happens when governments allow "cut-throat run-away capitalism without standards."

Gephardt said he thinks the "White House believes what I'm arguing for is right and... would be happy to put it in fast track." However, the administration also recognizes the Republicans, who oppose the labor and environmental provisions, control Congress. The administration wants fast track, even if it means giving up the labor and environmental language, Gephardt said.

"I would hope the administration would at least be supportive of our trying to get it [labor and environmental protections] into fast track. I think that would be very helpful," he said.

Herman Calls for Common Ground. Labor Secretary Alexis Herman called the rift between organized labor and the White House on trade "a disagreement within the family," and called for both sides to find common ground.

"I firmly believe, as I know you do, that trade permits the American economy to grow and for many Americans to find high wage, high skill jobs," she told the delegates. "But I believe just as firmly that no American worker can be left behind if we want to call our trade policy a success," she said in remarks shortly after Gephardt spoke.

She later told reporters her emphasis as labor secretary on this issue is "to make sure that we're putting in the right kind of policies and programs in place that will help safeguard workers from any negative impact of trade as well as any benefits." She said whether those programs are inside or outside the core agreement, the goal has to be same, to ensure workers are protected.

Sweeney Vows Opposition. AFL-CIO President John Sweeney told BNA that the NAFTA labor side accord has been "totally unacceptable" and that organized labor would not accept a similar package of side agreements under fast track.

The federation says it will spend an unlimited amount of money in media ad campaigns to "educate" its members and the public about the dangers of fast track. Union leaders have stepped up the rhetoric in their discussions with the White House while members are being encouraged to blanket Capitol Hill with letters protesting the trade negotiating authority.

**draft 9/16 11:00 pm; 22 minutes
Remarks Prepared for Delivery
National Center for APEC
Secretary Robert Rubin
Seattle, Washington
September 18, 1997**

*Estimate -
Fy 1. ✓*

It is a great pleasure to be in Seattle and I appreciate this opportunity to speak to you. Unfortunately, I am here only briefly: Later today I will fly to Hong Kong and then go on to Beijing.

The international financial community gathers in Hong Kong this weekend for meetings of the Group of Seven industrialized nations as well as the governing bodies of the International Monetary Fund and the World Bank. After those meetings I will travel to Beijing to meet with the new Chinese leadership to work to strengthen our economic relationship with this most important nation.

It used to be that when Treasury Secretaries traveled abroad, they visited London or Bonn. In my tenure as Treasury Secretary, I've visited India, Brazil, the

Philippines, Indonesia, Argentina, Vietnam, and now, China, reflecting the fact that our economic health is increasingly a function of that of the rest of the world and the increased and substantial importance of developing economies to our own economy.

I can think of no better place to discuss what I hope to accomplish on this trip than Seattle, a city that is thriving on the increased commerce between the United States and the rest of the world, a city that understands the importance of open markets and trade, a city that has emerged as a capital of the dynamic Pacific Rim. My trip to Asia reflects President Clinton's strategy to help already critical trading cities like Seattle, and states like Washington, as well as our entire country, to prosper in the global economy as we approach a new century.

Today, the importance of U.S. leadership in fostering a stronger, more

prosperous global economy is greater than ever. That is why President Clinton has pursued a coordinated strategy to advance U.S. national interests by promoting global economic growth in developed and developing nations, strengthening international financial stability, and fostering economic integration and open markets. Since 1993, when President Clinton brought the leadership of Asia to Blake Island, the nations of the Asia Pacific region have been central to this strategy.

As a result of this strategy, the United States attends these meetings from a position of economic strength. For the last four and one half years, the United States has had the strongest economy among the industrialized nations. Unemployment has remained below 5 percent for 5 months, inflation is low, and the economy has generated over 12 million new jobs. The private sector, for its part, has regained its footing, and has become competitive again across a broad

array of industries.

By continuing to pursue the policies of deficit reduction, investing in our people, and promoting open markets, we have a very good opportunity to sustain these strong conditions. However, we can not afford even a moment of complacency in the highly competitive and rapidly changing global economy, nor can we afford to allow prosperity to deter us from meeting our challenges. One of the most important steps we can take now is to gain the authority from Congress, known as fast track, to negotiate new trade agreements with other countries. Since entering office in 1993, the Clinton Administration's efforts to open foreign markets to U.S. goods and services have played a major role in our current favorable economic conditions. The next steps are to expand trade further in Latin America and Asia.

Already, countries around the world are moving to expand trade with each other. There is no question this is going to continue. The only question is will we part of the process of integration, or on the outside looking in. We must make sure US companies have a level playing field as markets around the world continue to open their doors to trade.

Our effort to renew the President's traditional negotiating authority is about more than one trade agreement or set of trade agreements. It is about U.S. leadership in the growing global economy and it is about continuing to open markets, expand trade, create jobs and increase standards of living here at home. Congressional enactment of fast track authority is, as you know, the subject of intense debate in the other Washington, but a favorable outcome is of the greatest importance to the people of your state, which is home to companies like Boeing and Microsoft.

But our future prosperity depends not only on opening markets, but also on global growth , and this will be a key focus of my meetings in Hong Kong with our G-7 partners, as well as the IMF meetings and many bilateral meetings that I will have with leaders from Southeast Asia, Africa and other regions.

The G-7 alone account for roughly 50 percent of the world's GDP, and growth in the G-7 has a great impact on the prospects for economic prosperity around the world. We have a strong interest in seeing Europe establish a stronger recovery that can effectively reduce unemployment. In our view, the key is structural reform and it is important that the focus on the European Monetary Union not distract from structural reform. Obviously it takes much more than words from finance ministers for economic growth to occur, but these meetings are important for encouraging policies for each of our governments that will

foster growth.

In Japan, Prime Minister Hashimoto established an objective several months ago, which we welcomed, of encouraging a strong domestic demand led recovery, and avoiding a significant and sustained rise in the external surplus. It is important to Japan and the United States that Japan succeed in these objectives. Recent developments have reinforced concern in financial markets about the strength of domestic demand growth and the risks of significant sustained rise in Japan's trade surplus. [These concerns are well founded.]

<Possible place holder on the dollar>

Our meetings with the International Monetary Fund and the World Bank will focus on how best to strengthen international financial stability . As we have

seen in recent months, the global economy, and the massive daily international flows of capital offer both opportunities and challenges. To make the most of these opportunities and manage the risks requires efforts on two fronts. First, efforts by the international community to make sure that our safeguards against crises are as modern as the markets. Second, and most important, developing nations must establish strong macroeconomic conditions and put in place strong and open financial infrastructures.

When Thailand experienced a serious currency crisis this summer, creating uncertainties that threatened the financial stability of the Southeast Asian region. The situation in the region is still uncertain. It is clear, however, that the Thai crisis had its roots in an age-old problem: an unsustainable mix of macroeconomic policies in the face of mounting financial sector imbalances.

Once Thailand decided to change course, the international community had a proper role to play in making substantial medium-term financing available to governments conditioned on a strong policy program, which is why we supported the IMF's program in Thailand. As in the Mexico peso crisis of 1994, significant financial support, conditional on an IMF-supported program of comprehensive reform, offered a step toward forestalling further declines in market confidence -- and even worse contagion effects in other markets. In Asia, the U.S. has a profound interest in restoring financial stability. Developing Asia accounted for more than one fifth of U.S. exports last year, and we now export more to Asia than Europe (Check).

International action to counter financial crises must not be seen as insulating countries from the consequences of bad policy decisions. And, in fact, countries that have experienced these crisis have paid a heavy economic price

even as they have recovered with the aid of good policy and international financial support. Investors, too, should be subject to the discipline of risk and that is an issue not yet fully solved in these support programs.

Global capital flows have been an enormous boon to growth in countries around the world, lifting millions of people out of poverty-- and this is especially true in the dynamic, rapidly industrializing countries of East Asia. The turbulence which can occur during a crisis should not cause us to seek to reverse the trend toward closer integration of global financial markets, which is benefiting so many people around the globe. But nonetheless, we all need to re-commit to the sound policies that encourage steady flow of capital. The path to recovery in the region will be much more difficult if the countries there reject the formula of sound macroeconomic policies and open markets that has been so central to that region's success.

Over the last fifteen years, an international consensus has emerged over the best ingredients of macroeconomic policies needed for sustained economic growth -- strong free market fundamentals such as open markets, privatization, reduced deficits, and rule of law. Part of what we are going to do in Hong Kong is to reinforce with our trading partners the importance of that approach and to make sure that what happened in Southeast Asia does not lessen support for it. When problems develop, the key is not to abandon this approach, but rather to make the necessary adjustments within this framework.

Strong disclosure rules are also critical to confidence. In our meetings in Hong Kong with the IMF and the World Bank, the United States will propose a new initiative to strengthen disclosure requirements to achieve greater transparency in central banks balance sheets and transactions and in the underlying conditions of the banking system. Making these disclosures is often

difficult in the short run, but it builds credibility in a nation's financial system and avoids much more difficult problems in the long run.

Crises such as this one have underscored the need of national authorities to get ahead of the curve quickly in strengthening domestic financial systems. The international community can help reinforce efforts by these countries to strengthen their supervisory and regulatory systems. This can be very difficult to accomplish, and we have had our own problems from failing to adequately address shortcomings in our financial state. But it must be done and countries must muster the political will to get the job done.

Our final objective on this trip is to strengthen ties with the most populous nation on earth, China. My visit will be the first by an Administration official to China after the conclusion of the 15th Party Congress which is now under way

and is an important step before President Clinton's meeting with President Jiang Zemin in October. We have a broad range of issues to discuss with the Chinese, but the purpose of the trip is not to negotiate new agreements, but to move forward on solving economic problems of joint interest. Doing so will further a maturing relationship between two important countries, and provide for increasing understanding of each others' views.

We believe that a strong relationship between the world's biggest developed economy and largest emerging one is vital for the new global economy of the 21st century. U.S. interests are best served by a strong and steady relationship with China .

Make no mistake: We have serious disagreements with China on human rights, religious freedom, security issues, as well as economic issues, and we

will discuss all of these when I meet with the Chinese leadership. The question is what is the best way to advance our interests and beliefs. We believe that the process of engagement is the most likely means to make progress on all of the issues we have with China.

The United States has two primary interests in our economic relationship with China.

First, the United States has a strong interest in seeing China succeed in its economic reform process and move to a more market oriented economy. This transition poses strong challenges to the Chinese leadership, challenges which they recognize. These include: restructuring and privatizing state-owned enterprises; reforming and strengthening China's financial system through stronger regulations and more competition so that financial institutions operate

on commercial principles; and creating a full set of institutions for a modern economy, including a sound legal framework which promotes the rule of law, and the free flow of information. Preserving and strengthening the conditions that made Hong Kong the engine of China's economic growth is also vital, and we will be taking this up with Hong Kong officials. Meeting all of these challenges is indispensable to China's long-term prosperity.

Our second interest is to help speed the integration of the Chinese economy into the world economy. A major aspect of this is China's opening its market to foreign goods and services, an opening that is a necessary element for China's admission into the WTO. A further aspect is the implementation and enforcement of existing agreements, such as the intellectual property rights agreement, which is so critical to industries such as the computer industry and companies such as Microsoft. China would also benefit by opening itself more

widely to foreign investment, allowing foreign firms to bring their expertise and capital to the Chinese market. Let me add that China has made significant strides in integration into the global economy. It has eliminated restrictions on current account transactions. We look forward to further progress, for example, through the liberalization of capital transactions.

Let me conclude with a final point. Perhaps the most important purpose of this trip is to increase understanding between the United States and the representatives of the nations with which I will be meeting. I have found in my experience as Treasury Secretary that these types of meetings -- the G-7, the World Bank and IMF governing board, and bilateral meetings -- are extremely important as opportunities to build personal relationships, exchange points of view and better understand the views of others. That, in turn, is the prerequisite for building agreement on issues as they arise.

As I said earlier, our economic health is increasingly a function of that of the rest of the world. That is why U.S. leadership, and building common ground with our trading partners is so important to our prosperity. And that is why we must continue to pursue an economic strategy that keeps our domestic fiscal house in order, invests in people, opens markets, and works to strengthen the global economy -- the strategy that has put us on the right track. Now is the time to move forward with this effort, both by what we do at home, and by our leadership in the global economy. Thank you very much.

THE WHITE HOUSE
WASHINGTON

E -

Attached is Alby's
current speech draft.
Our feedback has been to
strengthen the foreign policy
& leadership tone in
addition to economic
emphasis.

V.

JAY ZISGLER

DAVID LEM

PLS CUE QUOTE ASAP

September 16 p.m. draft of Secretary's September 18
INTERNATIONAL ECONOMIC POLICY SPEECH
comments ASAP to Bill Woodward (room 7538)(Ph. 647-9943)(fx 736-7687)

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Thank you Dick and Pete, for your kind words and for all you have done over the years to build American prosperity and extend American influence. I thank both the American Business Conference and the Institute for International Economics for sponsoring this event. And I am grateful that so many of you could be here.

As you may know, I just returned from a few days of quiet contemplation in the sunny Middle East. During his four years as Secretary of State, Warren Christopher visited that troubled region something like twenty-one times. Thus far, I have been there only once. It just seemed like twenty-one times.

I did notice that quite a bit happened while I was away. The Redskins won their first game at the new stadium. The new Miss America wore a two piece. And the Government of China announced that its economic system would henceforth be based on the "survival of the fittest," because as one Chinese cabinet member put it, "that is the lesson of the market economy."

I venture to predict that the last of this trio of events will have the greatest impact on history. China's decision not only to remain on the road to economic reform, but to step on the accelerator, has many implications--all good.

It is another nail--perhaps the final nail--in the coffin of Communist-style centralized planning.

It augurs well for the continuation of a free and thriving economy in Hong Kong.

And it contributes to a goal that is at the heart of America's international economic and foreign policy.

That goal is to take advantage of the current explosion in technology and trade to bring the world closer together around basic principles of democracy, open markets, law and a commitment to peace.

By so doing, we can ensure that our economy will continue to grow, our workers will have access to better jobs and our leadership will be felt wherever U.S. interests are at stake.

We will also fuel an expanding global economy that is creating new opportunities for people on every continent and give more countries a stake in the

international system, thereby denying nourishment to the forces of extremist violence that feed on deprivation in too many places across the globe.

We proceed from the understanding that in an increasingly integrated global economy, the quest for prosperity is the opposite of a zero sum game. "Beggar thy neighbor" doesn't work; "prosper with thy neighbor" does.

Second, the driving force behind economic growth is openness: open markets, open investment, open communications and open trade. This is fundamental. Protectionism is an economic poison pill. We cannot expect to gain access to new markets for ourselves if we put a padlock on our own.

Third, when we make progress on the international economic front, we make progress on all fronts. A world that is busy growing will be less prone to conflict and more likely to cooperate. Nations that have embraced economic reform are more likely to move ahead with political reform. And as history informs us, prosperity is a parent to peace.

Finally, if we are to lead effectively abroad, we must build a consensus for that leadership at home. As I said to Senator Helms, who can sometimes be a very literal person, bipartisanship and America's best interests go hand in hand.

To achieve such a bipartisan consensus, we must begin by accepting that the movement towards a more integrated global economy is not a choice or an option; it is a fact of life. Integration is fueled by technology which is driven by knowledge which has no reverse gear.

This means that, more and more, what happens anywhere will matter everywhere. Whether the "anywhere" is the stock markets of Southeast Asia, the croplands of Latin America, or the factory floors of Europe, developments there will be felt here, by U.S. workers, farmers, investors and businesspeople. Because we are a global power with interests and connections on every continent, we have a vital stake in creating and sustaining the conditions for global prosperity.

It is true that the accelerated tempo of change that results from globalization has its downside. Some industries expand, but others contract as we move toward higher and higher value-added industries. Our consumers benefit and our overall economy grows. But it is no consolation to a worker displaced by foreign competition to know that he or she is part of a global phenomenon.

Still, the best course for our nation is not to curse globalization, but to shape it, to make it work for America. It would be foolish to get up from the table and leave the game to others. For we are competing very, very well.

With leadership from the White House and bipartisan support on Capital Hill, we have put our fiscal house in order. More U.S. jobs were created during the first Clinton Administration than in any other Administration in history. And because of the genius and enterprise of our people, we have the most competitive economy and most productive workforce in the world.

To maintain our edge, we must continue sound fiscal policies that drive deficits down and keep interest rates low.

And we must invest in our people by striving for excellence in the classroom and by ensuring that our workers enter the twenty-first century with twenty-first century skills. On the global chessboard, we want more and more of our citizens equipped to be bishops or knights, rather than pawns. That's why we're lifting educational standards nationwide and investing in training as never before.

Finally, we must use our diplomatic tools to sustain momentum towards an increasingly open and fair system of global trade. It is with these understandings in mind that the Clinton Administration is striving to shape an open and inclusive global economic system with America as its dynamic hub. To do that, we must continue to lead the world in developing fair and open rules for investment and trade.

Consider that trade accounts for twice as much of our economic activity as it did a quarter century ago, and is fueling the remarkable period of sustained economic growth we have enjoyed these past five years. Today, eleven million American jobs are supported by exports and this number is rising rapidly. These jobs are good jobs, paying--on the average--13% more than others.

Since President Clinton took office, we have forged more than 200 trade agreements, including NAFTA and the Uruguay Round.

We have forged historic commitments to achieve free trade and investment across the Asia-Pacific through APEC and across the Americas through the Miami Summit process. We are also working to expand trade and investment with the European Union through the Transatlantic Business Dialogue, and in Africa through our proposed Partnership for Economic Growth and Opportunity.

We have been dedicated to ensuring that agreements made are agreements kept. Like Secretary Christopher, I made it clear to our diplomats overseas as soon as I took office that one of their principal jobs would be to see that the rights of American companies are respected and their opportunities enhanced. To that end, our trade negotiators are making full use of every available enforcement tool, including a strengthened WTO.

We do not intend to stop here. We are determined, as President Clinton has said, to keep growing our economy. That is why the Administration is asking Congress for fast track negotiating authority this fall.

The President needs this authority to negotiate smart new trade agreements that will keep us competitive, expand our exports, create better jobs and raise our standard of living.

With fast track, the President can pursue a free trade agreement with Chile, a Free Trade Area for the Americas and new market access agreements in the Asia-Pacific. We can also work towards agreements to open up whole new sectors of the global economy in fields where our nation is highly competitive. These agreements work to the advantage of America because our tariffs are lower than those of other countries.

For example, we are preparing to negotiate a further opening in agricultural markets. Our farmers are by far the world's most productive. They help feed the world. But they do so despite tariffs on U.S. products that in some cases are as high as 100%. They also confront many non-tariff barriers. We want a level playing field for American agriculture--but to get it, we need fast track.

During the next quarter century, the world will invest trillions of dollars, yen, marks, francs and other currencies in the infrastructure of a modern economy. They will pour money into sectors such as energy, information systems and environmental technology. We want to open these sectors to free and fair trade--but to do so, we need fast track.

We want to protect our intellectual property--and stop the rip-off of billions of dollars worth of American products illegally copied every year--but to make that happen, we need fast track.

Latin America is a market of half a billion people. Their incomes are rising and they buy what we sell. More than forty percent of the region's imports come from the U.S. even though Latin tariffs average four times our own. We would like to negotiate agreements that move their tariffs down and our exports up--but for that to happen--we need fast track.

We know that sectoral agreements benefit the United States. Last year's information technology agreement will produce an estimated \$5 billion reduction in tariffs on American computers and related equipment. In Colorado, where I grew up, we would call that a tax cut. Where I live now, we would call that five billion good reasons why fast track deserves bipartisan support--but to succeed in our plan to expand that agreement even further, we need fast track.

As businesspeople, you know that if we fail to participate in shaping the global trading system, we will nevertheless be shaped by it.

This is, after all, the only globe we have and only one out of every twenty of the world's consumers live on our share of it. If we choose to hide behind walls rather than tear them down, our products will face higher tariffs; our services will be harder to sell; our businesses will find it more difficult to win contracts; our economy will create fewer jobs; and our success in promoting higher environmental and labor standards will shrink.

Whatever we decide, others will move forward. Since 1992, in Latin America and Asia alone, our competitors have negotiated more than 20 free trade pacts that exclude the United States. Some of our leading trade partners have reached agreements that will vastly expand trade among themselves. We support economic integration and encourage trade, but we should be on the inside shaping these agreements, not on the outside looking in.

Fast track is an essential and traditional tool of diplomatic leadership. Until it lapsed three years ago, it was an instrument every President for the past two decades has had and has used to the benefit of the United States. It does not in any way detract from the constitutional authority of the Congress to approve trade agreements, nor from the Administration's obligation to consult Congress concerning them.

What fast track does do is assure our trading partners that there will be a timely up or down vote on any deals we strike and that those deals will not be unraveled provision by provision. Our partners argue that this is the only sensible way to conduct business. And they are right. Without fast track, America may find itself alone at the bargaining table. With fast track, America can lead.

This matters because of the economic dividends well-designed trade agreements will generate. But fast track is about more than dollars and cents; it is a foreign policy imperative. It is indispensable to U.S. economic leadership which is indispensable, in turn, to U.S. influence around the globe.

American prestige is not divisible. If we want our views and interests respected, we cannot sit on the sidelines with a towel over our heads while others design the trade and investment patterns of the twenty-first century.

In many capitals, if we have nothing to say on trade, we will find it harder to have productive discussions on other issues of direct importance to American interests. In contrast, strong economic ties can be a foundation for cooperation across the board.

That is why, as Secretary of State, I will do everything I possibly can to persuade Members of Congress to say "yes" to fast track and "yes" to continuing American prosperity at home and leadership abroad.

Of course, fast track and trade are not the only economic tools we use to help create an international system that is more open, democratic and respectful of the rule of law.

For example, we are working closely with China to help it enter the World Trade Organization under rules requiring it to end unfair trade barriers, enforce trade laws uniformly and use WTO procedures to settle disputes.

We are using our modest foreign assistance program to enlarge the circle of market democracies by helping newly-free nations to create a better climate for investment, curb corruption and reduce crime.

We are using our economic aid to make the potential benefits of peace more tangible for people in the Middle East, Bosnia, and Northern Ireland.

Finally, we are relying on you--the American business community--to help spread the word from Manila to Moscow to Maputo to Mexico City that the path so many countries have chosen, the path of openness, participation and integration is the right path for the 21st century.

The connections we make through increased investment and trade supplement our efforts to spur development and prevent conflict. As we encourage reform, expand markets and forge new agreements, we give more and more nations an equity interest in peace. In this way, shared prosperity yields the golden dividend of shared security.

Despite this, there are many in our own country and overseas who oppose or resist the trend towards a more integrated world economy. They disregard its role as a great stabilizer in international affairs and focus instead on their fear that globalization will put downward pressure on wages and reward employers who cut corners on working conditions and environmental protection.

These are serious concerns that must be addressed seriously if we are to rebuild and maintain a consensus in favor of free trade and open markets in the United States and around the world.

To succeed, we must remember that opening the world economy is not an end, it is a means. Our purpose is not simply to increase the volume of global commerce; it is to improve the quality of peoples' lives.

The evidence, however, is that globalization is not lowering standards around the world, it is raising them.

Open economies are more likely to lift people out of poverty than economies that are stagnant and closed.

It is no accident that as East Asian nations have opened their markets during the last quarter century, the percentage of their citizens who are poor has plummeted, and a vast, educated middle class has emerged. This, in turn, has created previously-unheard of pressure for decent wages, environmental planning and increased democratization across the board.

These trends will continue to spread as more and more governments embrace economic reform. The World Bank estimates that, during the next decade, developing countries will grow collectively at an annual rate of more than five percent, double the pace of the 1980's. Growth is expected in every region, including Africa, where the continent's best new leaders have embraced policies designed to help private enterprise take hold.

As the world's economies grow, a variety of tools will be available to shape that growth in socially constructive ways. Incorporating trade-related labor and environmental understandings in our fast-track legislation--as the President has proposed?????--is but one of many means.

Others include supporting the work of bodies such as the International Labor Organization and the Montreal Protocol on protecting the ozone layer. Just as important are the initiatives that consumers and businesses can take on their own.

For example, the Clinton Administration is working with business, labor and other NGO's on an Apparel Industry Initiative that will bring "No Sweat" garments and footwear to America from workplaces that are monitored overseas. Similar labeling initiatives make it possible for consumers to purchase South Asian rugs and soccer balls and know that these products were not made with child labor.

It is also encouraging to see the competition that has begun in many segments of American industry for bragging rights about which company has done the most to help the environment, improve working conditions or train employees. This competition advances the goals of U.S. foreign policy; it is good for our friends overseas; it helps us here at home; and it is a trend that consumers welcome and will reward.

After all, I doubt any American would disagree with the view that profits should come from inspiration and perspiration, not exploitation.

For more than half a century, the United States has played the leading role within the international system, not as sole arbiter of right and wrong, for that is a responsibility widely shared, but as pathfinder—as the nation able to show the way when others cannot.

Our predecessors had the foresight to forge alliances such as NATO; institutions such as the World Bank and initiatives such as the Marshall Plan to defend freedom and build prosperity. They did so on a bipartisan basis.

Today, under President Clinton, we are constructing a new framework reflecting the challenges of our time, based on principles that will endure for all time.

In so doing, we are heeding the lessons of this century that economic strength is essential to national strength, that open markets are essential to prosperity which is a friend to security, that there can be no progress without the rule of law and that problems abroad, if left unattended, will all too often come home to America.

We look out upon a world no longer held back and driven apart by divisions between east and west and north and south; a world in which the benefits of the international system are open to every nation able to accept its responsibilities and willing to play by its rules.

We see a world not without danger; we anticipate a future not without disappointment; but we also see an opportunity we must seize; an opportunity to create a future liberated by freedom of thought and empowered by freedom of enterprise; a future of greater promise and possibility than any generation has known.

America is not a slow track society.

Although tempted at times to rest, we cannot stand still; nor can we merely move. Like the great explorers of half a millennium ago, we must embark upon a new Age of Discovery.

We must strive not merely to stay afloat; but rather raise our sails high and catch the propelling winds of change at their fullest. And with economic and political liberty as the North Star by which we navigate, we must chart a course to the far horizon so that we may disembark in the new century free and respected, prosperous and at peace.

Thank you very much.

THE WHITE HOUSE
WASHINGTON

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Fyl -

Two reports on today's
Finance Committee
hearing -

Vicki



Jake Siewert
09/17/97 01:07:31 PM

Record Type: Record

To: Victoria Radd/WHO/EOP, LEAVY_D @ A1 @ CD @ LNGTWY, Robert D. Kyle/OPD/EOP
cc: Russell W. Horwitz/OPD/EOP, Jake Siewert/OPD/EOP
Subject: Fast Track Wire Story

Clinton Pushes for Trade Authority

By MARTIN CRUTSINGER
AP Economics Writer

WASHINGTON (AP) The administration urged Congress today to move quickly on President Clinton's request for new trade negotiating authority, but many Republicans were unhappy that trade and environmental issues are included.

Senate Majority Leader Trent Lott, joined by a number of other GOP senators, said Clinton's request for "fast-track" authority would have to be changed if he hoped to win passage before Congress adjourns next month.

The GOP objections centered around the administration's inclusion of future global agreements governing protections for the environment and worker rights in its fast-track proposal.

Lott said that since fast-track proposals can only be approved and rejected by Congress, without a chance for amendments, the authority should be strictly limited to negotiations aimed at lowering trade barriers and not expanded into other areas.

"We must make sure that the administration will not succumb to using fast-track as a vehicle for special interest agendas," Lott said. He said the administration's request "clearly introduces brand new labor and environmental elements into the process. This is clearly disturbing."

Treasury Secretary Robert Rubin and U.S. Trade Representative Charlene Barshefsky indicated in an appearance before the Senate Finance Committee that the administration would be willing to discuss Republican concerns but they said Clinton felt it was important for labor and environmental standards to be pursued in global negotiations.

Barshefsky told the panel, "What is at stake in your consideration of this proposal is nothing less than whether the United States will continue to be at the forefront of nations seeking the reduction of trade barriers and the expansion of more open, equitable and reciprocal trading practices throughout the world."

Senate Finance Committee Chairman William Roth, R-Del., told Rubin

and Barshefsky that the only way Congress will be able to approve Clinton's request this year is if the president is "willing to invest considerable energy to build the broad bipartisan support" that will be needed.

Clinton started that process on Tuesday, traveling to Capitol Hill with Vice President Al Gore to speak to the House Democratic caucus.

"America must choose whether to advance or retreat," Clinton said before the meeting. "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."

Based on initial reactions from members of his own party, Clinton's challenge will be every bit as tough as the 1993 battle he waged to win approval of the North American Free Trade Agreement.

Just as in that fight, Clinton's principal allies will be Republicans and their pro-business friends, while his opponents will be liberal Democrats and two core Democratic constituencies labor unions and environmentalists.

"With the president's bill, we are compromising the basic goals of growth, opportunity, the dignity of work, environmental quality and democracy. This fast track would put us on the wrong track," said House Democratic leader Dick Gephardt, who vowed after hearing Clinton to lead the opposition.

Unlike the NAFTA fight, which concerned a specific free trade deal with Mexico and Canada, this year's battle is over the authority Clinton needs to negotiate a string of future free trade agreements.

In a concession to Republicans, Clinton's proposal does not contain language to bar other countries from exploiting their workers or the environment to gain competitive advantage over American companies.

Republicans contend that such provisions would provide the opportunity for protectionist forces to use trade deals to raise trade barriers rather than lowering them.

Clinton, in his proposal, pledged to use his executive authority to negotiate side agreements covering labor and the environment and also to pursue these issues before the World Trade Organization. It was this section that Republicans attacked today.

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actually start, as that depends on how quickly the Justice Department responds. Said the Democratic source: "You would hope quickly, but it's impossible" to say. While Burton and Waxman met yesterday for what was described as a positive session, "I don't know that there's much [more] to talk about with [Burton]," the Democratic source said. "We're sending out a letter to the Justice Department, a short letter asking for their views, and beyond that, I don't know what else there is to do."

- o Draft Land Mine Treaty Approved; Clinton Defends US Refusal To Sign. Despite US objections, more than 100 countries today approved by acclamation a draft treaty calling for an immediate ban on all anti-personnel land mines. The talks in Oslo then adjourned for the day following tomorrow's scheduled formal vote. President Clinton defended the US decision today, telling reporters, "As Commander-in-Chief, I will not send our soldiers to defend the freedom of our people and the freedom of others without doing everything we can to make them as secure as possible. For that reason, the United States insisted that two provisions be included in the treaty negotiated at Oslo. First, we needed an adequate transition period to phase out the anti-personnel mines we now use to protect our troops, giving us time to devise alternative technologies. Second, we needed to preserve the anti-tank mines we rely upon to slow down an enemy's armored offensive in a battle situation. These two requests are not abstract considerations. They reflect the very dangerous reality we face on the ground as a result of our global responsibilities."

Meanwhile, Sen. Patrick Leahy, a leading critic of the US position, reacted to today's vote, saying: "I am proud that so many nations have come together to produce, defend and approve a strong treaty to begin banning these weapons forever. Of course, I am disappointed that the United States is not part of the treaty, but I have no doubt that our country eventually will join other nations in a worldwide land mine ban."

- o Republicans Send Message That Clinton Must Do Heavy Lifting On Fast Track; Lott, Gramm Say Changes Needed. Opening a hearing of the Senate Finance Committee today on President Clinton's fast track proposal, Chairman William Roth said, "I welcome the President's initiative. As we have made clear in past discussions with the Administration, the committee has been waiting for the President's proposal for some time and are interested in hearing about the approach the Administration intends to take. It is, however, late in the year, and the Senate calendar is quite full of work we need to complete by the end of this session. I believe the committee can complete its work on a fast track bill, giving it the thought and consideration it deserves. The only way we will complete that task and ensure that the full Senate is in a position to act on the measure in this session is if the President is willing to invest considerable time, attention and energy to promote that initiative. We'll need to see his visible efforts to meet the concerns of the committee and the Senate as our deliberations proceed, and we'll need to see his direct personal involvement in building the broad bipartisan support needed to move any proposal on trade before the

year's end."

A House GOP leadership source echoed Roth's comments. According to the leadership source, "I think that you'll find Mr. Archer is going to be cautious on this," though, "I know that Archer was surprised in a good way at the text of the Administration's fast track proposal." Stressing that it's the President's job to deliver votes for his bill, the leadership source said, "The whip count for Democrats to support this -- anytime anyone talks to anyone in the Administration, the number keeps going down. A week ago, it was a hundred. Then it dropped to 80. Now they're saying maybe 50, but they're not there yet." The leadership source concluded, "This is his negotiating authority. He has an obligation to help us pass the bill."

One of the difficulties Republicans will face in holding votes together in favor of fast track is how agriculture might fare. According to a House Republican source, "A lot of our aggies have real problems with this. And that is a huge chunk of our conference." The source added that situation puts a premium on getting Democratic votes. At today's Finance Committee hearing, Sen. Charles Grassley of Iowa also stressed agriculture, saying, "I'm interested in the priority of agriculture in future trade agreements. Agriculture remains one of the most protected industries in many countries, and it's a sector that the United States enjoys a substantial comparative advantage over our trading partners. So we need to continue the progress made in the Uruguay Round and opening new markets for agricultural products. So I commend the President for listing agriculture as a priority negotiating objective. The proposal specifically addresses trade problems associated with state trading enterprises, biotechnology, and unjustified sanitary -- phytosanitary restrictions. These issues are all very important to the continued prosperity of American agriculture."

Senate Majority Leader Trent Lott said this morning the Administration's proposal "clearly introduces brand new labor and environmental elements into the process. This is clearly disturbing." Providing perhaps an early warning on issues likely to garner objections from conservatives, Sen. Phil Gramm said at this morning's hearing that while he is a steadfast supporter of free trade, "I will never vote to limit my ability, or any other senator's ability, to amend an agreement that has to do with international labor standards. I will never grant fast track authority to this president or any other president that would allow him to negotiate, in essence, international treaties on environmental matters and limit our ability to amend or to fully debate those issues." Gramm continued, "As I read your proposal, it is totally and absolutely unacceptable. It will never be approved by the United States Senate as it is written. Now, I don't know who wrote it and for what purpose they wrote, but it looks like a political document and not an economic document. Provision five on page two is absolutely and totally unacceptable. It would give the president license to negotiate agreements that would impose labor standards in the United States, not just around the world, and he could bring such an agreement to the floor of the Senate and the House without our having any ability to amend it whatsoever." Gramm

added, "The language of this bill gives the president the ability, under code-name words like "sustainable growth," to set limits that would have the effect of domestic law in imposing constraint on American industry and agriculture, where we would have no ability to amend such a provision. I don't know what you mean by 'trade related,' and it's obvious you don't either. If by trade related you mean it expands trade, then that is a totally different argument. But obviously, something that reduces trade is trade related. Now, I think it is an outrage that the whole world is expanding trade, negotiating trade agreements, and we're sitting on the sidelines because three years ago, the president decided that rather than to address these issues, he would let fast track die. But I would rather the United States sit on the sideline than to see us destroy the world trading process by injecting into it labor and environmental conditions that will disrupt trade and that will reduce the volume of trade in the world."

Gramm concluded, "I simply want to say this; I think that we are off on a very bad start here. The way your bill is written, there is no possibility that I could support it, and I intend to vigorously oppose it in its current form. And I think what we need to do is to go back to the 1988 agreement. And I think what we need from the '88 agreement are basically two things: Number one, the technical changes that you need because of the change in circumstances in law since 1988; and secondly, we do have a problem here that we've never had before. No president has ever suggested that they would include labor and environmental issues in a trade agreement. That is totally new. And so we're going to have to have some assurances as to what the parameters are of those inclusions if we're going to be able to pass a trade agreement."

o Rubin, Barshefsky Defend Administration's Fast Track Proposal, Push Congress To Act Quickly. Treasury Secretary Robert Rubin and US Trade Representative Charlene Barshefsky today urged the Congress to move quickly on the Administration's fast track proposal. Appearing at a hearing of the Senate Finance Committee, Rubin said, "The President, as you know, has been enormously focused on economic strategy since he took office, and trade liberalization has been an essential piece of that focus, and I think it's contributed very substantially to the economic conditions that we've enjoyed over the last five years. Having fast-track negotiating authority, in his view, in our view, is essential to our economy. There are millions of Americans whose jobs are directly or indirectly dependent on trade, and all American consumers benefit from trade through lower prices and greater choice. I also think there's no question, Mr. Chairman, that promoting open markets and trade increases prosperity around the world, and that, again, is to our benefit and it creates new and better markets for our products." Rubin added, "Clearly, consultations with Congress, both before and during trade negotiations, are absolutely vital, and they are a key provision of our proposed legislation."

Rubin continued, "The next steps for our trade agenda are to move forward on agreements in some of our most competitive sectors, to reduce barriers to trade and services and agriculture, as Senator Grassley mentioned, which are key U.S. exports, as well as to

complete a free trade agreement with Chile, which is really the beginning of a process of getting free trade agreements in the Americas and Latin America, which is a tremendous potential market for us. In addition, we're very much focused on Asia. Between Asia and Latin America, you have the two most rapidly growing areas of the world." Rubin concluded, "In order to do so, we absolutely must have fast track authority. Fast track authority is also, as one of you gentlemen said, not just about trade, but it's really about global leadership and leadership in the global economy. Senator Lott has pointed out that there are problems in this bill from the perspective of, certainly, a goodly number of members of the Senate Finance Committee, as you've made reasonably clear in your opening presentations. And what we need to do is to all work together and to devise an acceptable negotiating authority so that we can continue and the President can continue to open markets and work together in a bipartisan spirit that Senator Lott and others so well manifested during the recent budget negotiations."

Commenting on the importance of exports to US economic growth, US Trade Rep. Charlene Barshefsky said this morning, "We intend to use fast track in three ways. First, to complete the built-in agenda of the World Trade Organization. This year we resume negotiations on reform of government procurement. Next year we restart negotiations on intellectual property, followed by agriculture in 1999, and then services. We will seek and must seek enhanced access in all of these areas. The stakes are very high. Government procurement in Asia alone is a trillion-dollar market in the next decade; agriculture a \$600 billion global market; services, a \$1.2 trillion market. We must, must, pursue our fair share of that global trade." Barshefsky continued, "The second purpose for which we would use fast track is to pursue market-access initiatives in the fast-growing sectors where the United States is a powerful competitor. The recent Information Technology Agreement, for example, cuts tariffs in 42 countries on a wide array of products. It amounts to a \$5 billion tax cut for the U.S. in its sales of telecommunications equipment, semiconductors, computers, and other items abroad. The ITA has led to consensus among our trading partners to pursue an ITA II this fall, which would further expand product coverage. Other potential sectors we've identified for ITA-type treatment are chemical, energy equipment and services, environmental technology and services, medical equipment, and several others." Barshefsky added, "Third, new authority is essential if we're to negotiate more comprehensive market-access agreements or free trade agreements with individual countries. This Administration, consistent with its predecessors, has identified Chile as a promising candidate for that type of agreement. Chile is, in all respects, prepared to enter into agreements with us that achieve our economic objectives, as well as agreements with respect to labor and environmental issues, as they have done with Canada."

Barshefsky also explained some of the details of the Administration's proposal: "The legislation would reactivate a 60-year partnership between the president and the Congress by reinstating fast track and tariff proclamation authority through October 2001, with the prospect of renewal through 2005. The extension to 2005 would be subject to disapproval by either house of

Congress. Our proposal outlines clear trade negotiating objectives designed to sustain U.S. economic competitiveness. It also contemplates the negotiation of additional agreements with respect to issues such as labor and environment, as well as advancing fundamental values in multilateral institutions. Notification requirements and public participation have been expanded relative to prior law, and the proposal gives Congress an expedited way to revoke fast track authority, if it so chooses. The proposal broadens substantially Congressional involvement in trade policy at every phase. The president is required to confer with Congress before, during, and after any trade negotiation. And Congress will have the ability to set priorities, provide advice, and exercise meaningful oversight. The proposal also ensures that we can and will maintain our high health and safety standards and vigorously enforce our trade laws."

During questioning by the committee, Barshefsky directly addressed environmental and labor concerns. According to Barshefsky, "This Administration does not intend to use fast track to amend U.S. labor and environmental laws. We do not intend to use fast track to circumvent the normal legislative process with respect to domestic policy-making." Chairman Roth further pursued the issue, asking, "As your proposed legislation requires that U.S. negotiators take into account our domestic objectives regarding health and safety, national security, the environment, consumer or employment opportunities, in using their negotiating authority, now doesn't that appear to give some license to negotiate matters that would promote what this administration or any future administration might envision to be in the domestic interest?" Barshefsky responded, "Mr. Chairman, that provision actually is from the 1984 Trade Act and is a provision that had been inserted in the 1988 fast track bill, though in slightly more limited context, on the Senate side. We think that these issues are very important. The intent behind the provision is simply that in negotiating trade agreements, we must be mindful of our need, number one, always to protect our national security. Number two, we must be mindful of the fact that we preserve the right to set our own health and safety standards, however high we wish those standards to be. And this is also a principle enshrined in the WTO. And third, that we ensure that we are always able vigorously to enforce our trade laws and that the trade agreements we negotiate do not impede that strict enforcement." Rubin also offered a response to Roth, saying, "Conceptually at least, the thought is that, as productivity increases and particularly in developing countries, then wages should go up and environmental standards should increase so that we're not at a competitive disadvantage. And I think it's a -- leaving aside whatever one's interest may be or may not be in environmental standards and labor standards in other countries, I think we have an enormous economic self-interest in trying to work through the WTO to see that, as these countries benefit through trade, that -- through workers' rights and collective bargaining or whatever other mechanisms may be, and also through appropriate focus on the environment -- that the labor and environmental standards increase, as well as their productivity; otherwise, we will find that we are at an increasing competitive disadvantage because of a

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September 11, 1997.

The Honorable Thomas F. McLarty
Counsel to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

The Honorable Bruce Lindsey
Assistant to the President
and Senior Adviser
The White House
Washington, DC 20500

Dear Mack and Bruce:

I was pleased to see the President come out swinging yesterday for fast track trade legislation.

Enclosed is an forthcoming "op-ed piece" that might be of interest to the President and -- perhaps -- useful as well. I would appreciate your bringing the "op-ed" to the President's attention along with my best wishes for success. Let me know how I can help.

With kindest regards, I am

Sincerely,



Gerald L. Baliles

Enclosure

cc: The Honorable Stuart Eizenstat
The Honorable Alan P. Larson
Mr. Charles Hunnicutt

*Vincent James
Baliles
Your help is
much appreciated
as is your
friendship.
Mack*

cc: Vicki Radd

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September 11, 1997

A Perfect Kickoff for the Fast Track Fight by: Gerald L. Baliles

This week's announcement that the Clinton Administration has opened its push for new fast track authority is welcome news. As Governor of Virginia during the late 1980's, I worked closely with then-Governor Clinton in the National Governors' Association to promote more open markets and trade expansion. The President's commitment to expanded trade as an important component of domestic growth has never wavered.

By all accounts, the fight for fast track authority will be a difficult one. The administration will be called upon to offer concrete demonstrations of the positive impact of increased international trade. The President will need to demonstrate how expanded foreign commerce leads to more growth and better jobs. He will need to show results.

Fortunately, there is an opportunity to do so, right now.

During the month of September, negotiators from the United States and Japan will be working hard to develop a new passenger aviation agreement between our two countries. If successful, this would be the first major revision of the rules governing air service between the two countries in nearly fifty years. A new aviation agreement could provide more immediate, tangible, and long lasting benefits to the U.S. economy than any of the U.S. - Japan trade

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negotiations conducted during the Clinton Administration. It could also provide tangible evidence of the economic benefit to be derived from the negotiation of new market expansion agreements -- evidence that can be used to good effect by the administration in the fast track debate.

Under the current aviation regime, access to Japan's aviation market is tightly restricted. Only one U.S. passenger carrier has open access to the market, while the rest operate in the face of restrictions. This denies communities all over the United States the access to Japanese markets that they need. The current stagnation in aviation relations gives the Japanese unilateral control of the relationship. For example, a ten-year dispute with the Japanese over U.S. carrier rights to serve other Asian markets via Japan has produced no growth in those markets.

This is a situation that cries out for a remedy. Indeed, last October, the U.S. Department of Transportation released an analysis that came to this conclusion: "increases in service and competition [in the U.S. - Japan passenger air market] should result in significant expansion of the market, major benefits for consumers and general economic development. Expansion of the market, therefore, should be a primary objective of U.S. aviation policy."

Here is what our negotiators have the opportunity to achieve when they meet with their Japanese counterparts in September:

- An increase in U.S. access to the Japanese market of more than 25 percent -- a result most other sectors in our economy can only dream of U.S. negotiators

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achieving. This could amount to more than 3,600 new flights per year by U.S. airlines to Japan.

- An increase in the number of U.S. carriers able to take full commercial advantage of opportunities in the Japanese market. Once a deal is concluded, we could have a half dozen or more U.S. carriers in this market -- while the Japanese would still have only two. This competitive advantage will continue to serve U.S. trade balance interests.
- A nearly \$10 billion annual shot in the arm to our economy resulting from the increased air service U.S. carriers will be able to provide. This additional economic activity could support tens of thousands of jobs in communities across America. Growth in service to Asia via Japan, resolution of disputes involving all-cargo carriers, and the additional traffic Japanese carriers will be able to bring to our shores, add to that benefit.

Wouldn't these results, achieved in a critical economic sector with our most important trading partner, nicely set the stage for the coming debate on fast track and on trade policy in general? Of course they would. Yet one airline -- the U.S. carrier with the largest current share of the U.S. - Japan market -- is still mounting vigorous opposition to this type of agreement. Their opposition reminds one of the old saying: "I love free enterprise. It's competition I can't stand."

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The opposition of that airline may yet derail this important agreement. Such a result will serve their own corporate interests, but not those of the United States or of an administration fighting to win authority to quickly open new markets.

Gerald L. Baliles, former Governor of Virginia, is Chairman of ACCESS U.S. - Japan.

TRADE WITH DEVELOPING COUNTRIES

Phenomenal growth in U.S. exports has contributed more than one-third of our economic growth over the last four years -- with most of that growth concentrated in developing country export markets. Our strong export performance reflects the fact that America's workers are the most productive in the world -- in sector after sector, from automobiles to agriculture. Export growth has been a key source of new jobs for America's workers. And these jobs are good jobs, paying above the national average. With this increased trade, the American economy is now the envy of the world, with strong employment growth; low unemployment; stable inflation; and rising incomes for American families. America workers lead the world in industry after industry, from specialty steel to telecommunications.

- **American Workers Are Worth More.** A recent McKinsey study found that the United States has significantly higher labor and capital productivity than both Japan and the European Union. If companies want the most efficient workers, America is now the country for them. Moreover, the U.S. market is attractive to businesses because we have the biggest consumer market in the world, high-quality infrastructure, advanced supplier networks, and political and economic stability.
- **Labor Costs More In Many Low-Wage Countries Than In U.S.** A recent San Francisco Federal Reserve study finds that for many of the Asian newly industrializing countries the average cost of labor needed to produce key products is higher than in the United States, because the higher productivity of American workers more than makes up for their higher wages. It concludes that "low wages are a symptom of low productivity, not an independent source of international competitiveness."

Trade is not a one-way street. As we trade with developing countries and their income grows, they demand more goods produced by American workers. And developing countries benefit as their standard of living increases.

- **Open Trade Helps Developing Countries Grow.** A recent World Bank report concludes that real wages have grown fastest in those developing countries that trade the most. Over the past two decades, real wages rose at an average rate of 3 percent per year in developing countries with above-average ratios of export growth to GDP and stagnated in below-average countries. [1995 World Development Report]
- **U.S. Export Growth is Increasingly Tied to Developing Countries.** Developing countries have accounted for fully half of our export growth over the past seven years.
- **Trade With Developing Countries Pays Dividends In Higher Export Growth.** By establishing inroads in the markets of Korea, Hong Kong, Singapore, Taiwan and Japan, when they were all developing countries, our companies have secured an additional \$128 billion in export opportunities since 1975. That is more than twice the increase in U.S. exports to the EU during the same time period.

NAFTA Has Not Undermined Border Drug Enforcement

- NAFTA has helped solidify Mexico's economic recovery, boosted our two-way trade, and kept the important Mexican market open to U.S. exports through the depth of Mexico's recession.
- NAFTA has NOT, however, meant any relaxation of U.S. Customs controls or inspections along our border. To the contrary, Customs Service Inspectors have increased by nearly a third since 1993 along the Southwest Border.
- Over 25 percent of trucks and railcars entering the U.S. from Mexico in 1996, or more than 900,000, were subjected to a rigorous counternarcotics search, involving dogs and high-tech x-rays. We are not letting up.
- The U.S. Government is not acting alone to enforce the border against drug smuggling; both U.S. and Mexican business interest are working with authorities to strengthen cargo inspections and keep honest commerce moving.
- Our Southwest Border is the busiest frontier in the world, with close to 300 million legal crossings from Mexico into the U.S. every year. Total trade has grown from \$60 billion in 1990 to \$130 billion in 1996. Drug seizures last year were 40,000 lbs, up from less than 6,000 lbs in 1990.
- NAFTA has had no effect on our determination to make the Southwest Border a gateway for legitimate commerce and a barrier to illicit activities.

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Date: 9/10/97 1:26pm

Subject: summary of Teamsters protest this morning

The overall message of the protest was that the Administration is not putting people first when negotiating trade deals. Trade agreements are for big business, not the average American. NAFTA has been a disaster.

I counted at least 10 cameras, but most of the attendees appeared to be associated with the organizations staging the protest (Sierra Club, Teamsters, Steelworkers, IBEW, etc).

Following is a summary of the speakers and the statements they delivered:

Josh Williams, President of the Washington Council of the AFL-CIO (MC).

"Put people first. We don't want more NAFTA corporate greed merchants running over American workers. It's not just about saving American jobs, but saving workers wherever NAFTA raises its ugly head."

Sue Doneth, mother from Michigan whose child was inflicted with hepatitis from tainted Mexican strawberries

She told a story of how her daughter was sick in the fetal position screaming in pain. There are now over 270 hepatitis cases in her county. NAFTA is a sure track to food safety disaster. She is tired of politicians and bureaucrats making decisions on paper and not actually inspecting. She is now a leader in a voluntary group since 1993 called STOP, Safe Tables are a Priority, to heighten public awareness of food safety.

Richard Sparks, former Customs Official

NAFTA has created a pipeline for illegal drugs that are finding their way to our schools. 2/3 of drugs are from Mexico, including heroine and cocaine. 10-12,000 million trucks will cross the border by 2000. That leaves only 5-6 inspectors for 4500 trucks a day. These trucks facilitate smuggling.

NAFTA = North American Free Trading Agreement

Employee from Dayco Products in North Carolina

Shutdown to occur in March 1998. 765 jobs will be impacted. Currently 350 jobs lost to NAFTA because jobs have been transferred to MEXICO. HE and his employees will be without medical insurance.

AFL-CIO Exec VP Linda Chavez-Thompson

Fast Track is the WRONG track. NAFTA is a disaster and a forced trade deal. We are all suffering from it ...that will continue to be the legacy of fast track. WE will not let fast track happen again -- we will turn American trade around. We will find the right track that helps American families.

TEAMSTERS, Ron Carey

1992 -- Pres. Clinton was elected on a promise to put people first.
1993 -- Gingrich pushed NAFTA through Congress saying it would benefit the American people
1997 -- we have talk about more promises

We have more drugs, job losses, less food safety, highway safety.

Why do they need to put it on a fast track? What are they (government) afraid of? Can't they hold hearings? We are sick and tired of trade agreements that benefit big business and not people.

They will be out there having handshakes and ceremonies as jobs are lost. WE are going to stop corporations from putting our jobs on the fast track to destruction.

Sierra Club Political Director Debbie Sees

Corporate polluters have used NAFTA to put America in a straight jacket. Where is the border clean-up promised? We've only seen two percent of those funds. America can no longer afford giving their children a cleaner environment.

RALPH NADER

NAFTA is on a trail of broken promises. Before NAFTA, the US had a surplus with Mexico. now we have a \$16 billion deficit. NAFTA is anti-working class warfare. They want to "zoom it through" autocratically and dictatorially.

3 broken promises:

- No job gains;
- No money spent on border clean-up ("NAFTA bad for American and Mexican people but good for big business and their political henchmen.");
- consumer prices did not decrease (The export of auto jobs did not produce cheaper cars.)

One promise not made -- to get rid of corrupt Mexican regime and billionaire oligarch.

The President and VP are out there courting business in Seattle, Silicon Valley, Houston but they are not out there addressing the American people. Did you elect a president, congressman or senator to give consumers and working people an unfair trade deal and to tie knots with big business? Trade agreements are greased by corporate campaign money.

There has been an increase in domination of corporations around the globe and democracy- destroying, job-disadvantaging trade deals.

ONE HUNDRED FIFTH CONGRESS

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U.S. House of Representatives
Committee on Commerce
Room 2125, Rayburn House Office Building
Washington, DC 20515-6115

September 10, 1997

Ed Hurst
226-2424

The Honorable William J. Clinton
President
The White House
Washington, D.C. 20500

Dear Mr. President:

In your radio address on August 23, 1997 you stated that you intended to ask Congress to renew presidential expedited or "fast-track" authority and that you looked forward to working closely with Congress on this important issue. I would like to take you up on that invitation, and work closely with you for the prosperity of the American people.

We face a new century of unprecedented growth in overseas markets. Overseas markets, which contain the vast majority of the world's consumers, may together to grow over the next decade at three times the rate of our own economy. U.S. companies, with the world's most productive labor force, stand to gain from such robust overseas growth. But U.S. workers and consumers will benefit most if the United States regains its traditional leadership as the champion of open-market competition. Securing fast-track authority is the way to re-take such leadership.

Open markets will benefit U.S. consumers and U.S. workers. Export-related jobs pay more on average than those that produce for the U.S. market alone. The best way to achieve open markets and the benefits to U.S. citizens they bring is through trade agreements that further reduce foreign barriers to American goods and services. If drafted appropriately, fast-track authority will facilitate such market-opening agreements.

I urge you to limit your proposal for fast track authority to issues relating to market access and non-discriminatory treatment. Environmental and labor policy decisions can best be made through the appropriate legislative processes that allow all parties the opportunity to participate, not through international trade negotiations with foreign governments. Moreover, fast track authority should be broad -- there are a number of important regions around the world

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improved access to which could benefit the American people. We should pursue all opportunities to further open foreign markets to American goods and services through trade-liberalizing agreements.

Mr. President, the right course is to move ahead on fast-track. I urge you to push forward a fast-track proposal that does not include labor and environmental issues better resolved elsewhere, but one that is broad and of sufficient duration to give the American people the opportunity to receive the full benefits of free and fair trade.

Finally, I would like to urge you to work closely with the Commerce Committee, which is charged with jurisdiction over interstate and foreign commerce. It is important that any fast track proposal contain appropriate provisions for consultation with committees of jurisdiction. I hope to work closely with you and your team in this regard. Fast track may be a tough fight. If we work together, we can win.

Sincerely,



Tom Bliley
Chairman

cc: The Honorable William M. Daley
Secretary of Commerce

The Honorable Charlene Barshefsky
United States Trade Representative

TALKING POINTS FOR CALLS TO
HOUSE WAYS AND MEANS COMMITTEE MEMBERS

WHAT IS IN THIS BILL.

The bill we submitted addresses key Democratic concerns, has specific language that for the first time addresses many of those concerns and increases the extent of Congressional involvement as compared to past fast track authorizations.

- **Worker Rights.** The bill has a negotiating objective on worker rights symmetrical to that granted Bush by a Democratic Congress -- and for the first time includes specific references to child labor standards and provides explicit direction to seek stronger worker rights through the ILO;
- **Environment.** For the first time ever in a fast track bill, this objective also includes a specific provision on the environment;
- **Agriculture.** The bill contains a specific negotiating objective on agriculture as requested by many Democrats.
- **Better Consultations.** The bill contains entirely new provisions requiring unprecedented consultations with Congress, as to both the trade agreement and any labor/environmental side agreement.

THIS BILL IS ABOUT PRESIDENTIAL NEGOTIATING AUTHORITY.

Fast Track is about negotiating authority, not the actual substance of what is negotiated. Every President for the last 25 years has had this power -- it is a traditional authority. President Clinton, like every President since Ford, should continue to have this power. *There will be plenty of opportunities to address specific concerns regarding labor and environment in the actual negotiating process:*

- **Trade Agreement.** This bill permits labor/environmental provisions "directly related to trade" to be brought back to Congress under fast track authority. This is but one of many tools the President can use to advance his goals.
- **Side Agreements.** The President has extensive executive authority to reach labor/environmental agreements with countries. These agreements do not require congressional approval. We have already committed to conclude companion labor/environment agreements in future trade agreements where appropriate, and Chile has already agreed to enter such agreements.
- **Other Agreements.** The Clinton Administration has done more than any other to press countries to improve labor and environmental protection -- and we will continue to do so, whether through the ILO, theWHOO, the UN, or international financial institutions. We

should be concerned about improving conditions in all countries, not just in free trade partners.

THIS BILL IS THE BEST CHANCE WE HAVE TO ADVANCE OUR SHARED PRIORITIES -- AND TO DO SO IN A WAY THAT CAN PASS A REPUBLICAN CONGRESS. IT WILL BE GOOD FOR ALL AMERICANS.

Exports have been responsible for more than one-third of growth in the last five years. • Inflation is the lowest it's been a generation

- Unemployment is below at 4.9%
- 13 million new jobs have been created -- and a lot of that progress is due to trade.
- And since 95% of the world's consumers live outside the US, future growth, more than ever, is dependent on our ability to open new markets for US goods and services.

Because the President didn't have fast track authority, Latin American countries have already signed 20 trade agreements over the last four years -- all without us. We can talk all we want about leveling the playing field -- but meanwhile everyone else is busy doing just that.

YOUR ISSUES AND CONCERNS ARE IMPORTANT, AND THE BILL WE PROPOSED AFTER EXTENSIVE CONSULTATIONS WITH CONGRESS IS THE BEST WAY TO ADVANCE THESE CONCERNS.

If we negotiate a trade agreement with a country like Chile, we have more leverage to also sign side agreements on labor and the environment. If we don't get a general agreement to start with, we can forget about the separate agreements.

This President is committed to the same goals as you regarding labor and environment -- he's already done more than any other Administration in history to improve protections in these areas. Besides, Congress still retains the ultimate power to vote down any treaty that doesn't satisfy your concerns.

THIS ADMINISTRATION REMAINS COMMITTED TO ENSURE THAT THOSE WHO BENEFIT LESS FROM TRADE ARE NOT LEFT BEHIND.

We have a comprehensive program, including EITC and Pell Grants, trade adjustment assistance, minimum wage and tax cuts for community colleges -- to help working people in this time of change.

The legislation allows Congress to expand trade adjustment assistance as part of implementation of any trade agreement

Backing away from this legislation won't create jobs or clean up the environment. The opportunity here greatly outweighs the risks.



UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

OFFICE
OF THE
SECRETARY

FOR IMMEDIATE RELEASE:
September 18, 1997

CONTACT: Maria T. Cardona
202-482-4883

**STATEMENT BY SECRETARY OF COMMERCE WILLIAM M. DALEY
ON U.S. INTERNATIONAL TRADE IN GOODS AND SERVICES**

Washington -- The U.S. has been performing well in international trade, particularly in light of slower growth in foreign countries and declines in the values of foreign currencies. With growth faster than 4 percent in the first half of 1997, the U.S. has a strong economy and exports have been an important part of that success. Our recent export performance demonstrates that we have the most productive and competitive economy in the world.

In July, exports declined, imports rose, and the deficit widened to \$10.3 billion from \$8.3 billion in June. For the first seven months, exports are up 10 percent from the first seven months of 1996 and imports are up 9 percent--strong rates of growth. While the overall trade deficit is larger, both the manufacturing and services sectors have stronger trade balances this year than last.

Industry Perspective

Exports of manufactured goods are up 13 percent--a faster rate of growth than in recent years. The trade balance in manufacturing has improved from last year, demonstrating how competitive our industries are in world markets.

This is good news for American workers because of the fast-growing exports in many of our high-wage industries. These rapid export gains will bolster employment in these sectors. For example, exports of aircraft and parts are up 39 percent in the first seven months of 1997 from the same period a year ago. This industry pays wages 57 percent above the average for the U.S. economy. Chemicals exports are up 13 percent and its wage rates are 37 percent above the average. General industrial machinery exports are up 14 percent and wages are 13 percent above average. Scientific instruments exports are up 15 percent and wage rates are 11 percent above average.

In the areas of agriculture and energy, U.S. trade is being adversely affected by commodity prices. The U.S. agricultural trade surplus has shrunk about \$5 billion thus far this year while

crude petroleum prices, on a year to date basis, are still up 2 percent from last year and our energy import bill is higher by \$3 billion. In 1997, the combined \$8 billion deterioration in agriculture and energy more than accounts for the \$2 billion total change in the trade deficit.

Regional Perspective

In evaluating trade with respect to specific countries, we need to keep in mind two factors that play a large role in affecting international trade--economic growth abroad and changes in currency values or prices.

For example, our trade deficit with Mexico, \$16 billion at an annual rate, would be smaller if Mexico had not had a deep recession and currency depreciation. Both factors worked to reduce our exports and increase our imports. Mexico is growing now at a fairly rapid pace and U.S. exports are up 24 percent from a year ago with more growth anticipated. Our exports to Mexico reached record levels in July. Our deficit with Mexico has fallen to the lowest level since the onset of the peso crisis in January 1995.

Because our exports to the rest of Latin America have risen 24 percent so far this year, our deficit with that region has declined by a third from last year.

Trade with Canada also reflects economic conditions. Growth in Canada has accelerated in the last year. This has increased U.S. exports to Canada by 13 percent so far this year and lowered our trade deficit there.

It is a similar story in terms of trade with Japan. Japan has been in a period of extraordinarily weak growth for the past five years. Slow growth and the fact that the Japanese market is still too closed to imports are reasons why our trade imbalance with Japan is large. Japan's recent decline in second quarter GDP of 11 percent suggests that our trade problems with Japan will not be easily resolved. Japan needs to move away from the policies that limit growth in their domestic demand.

And finally, there is a special case that seems to defy the general patterns of economic growth and trade so prevalent around the world--China. China's economic growth has been sizeable, but its recent growth in imports from the rest of the world has been nearly nonexistent. Over the past year, our exports to China have increased only 3-1/2 percent while our imports from China are up 25 percent. The United States produces some of the finest goods and services in the world. There is no reason why our products cannot have a higher presence in the Chinese market. In order to continue to take advantage of an open world trading system, China needs to approach trade relations in a responsible manner and allow others to sell into their markets.

In two weeks, I will be traveling to China as part of the U.S.-China Joint commission on Commerce and Trade. Reducing barriers to U.S. exports and creating a more level playing field for U.S. exports will be my top priority in meetings with Chinese trade and senior officials. A better balance in our trade relations, supported by greater market access for U.S. products across

the board, including agricultural items and services, is critically important. I hope we will be able to come to terms with China as to the appropriate structure of our trading relationship.

So far this year, our international trade has done pretty well. Overall, export growth has been good. However, we should not be complacent about the situation in international trade. We must take every opportunity to improve our trading position and that means we must support the President's "Fast Track" legislation. "Fast Track" will allow us to pursue deals around the world that will help to open markets for our products. The United States has only to gain. Our markets are already open, while those of developing countries are not. We need to be a part of the international negotiations that will write the rules for international trade. If there was ever a time when such efforts were both appropriate and necessary, now is that time. Opposition to "Fast Track" is opposition to stronger trade, opposition to a stronger economy, and opposition to continued job creation.