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001. list	RE:Personally Identifiable Information [partial] (6 pages)	10/20/1997	b(6)
002. memo	Briefing with Agriculture Groups-Fast Track; RE: Personally Identifiable Information [partial] (7 pages)	10/21/1997	b(6)
003. list	Attendees to the Fast Track Briefing; RE: Personally Identifiable Information [partial] (3 pages)	09/24/1997	b(6)

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Clinton Presidential Records
Policy Development
Jason Berman
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FOLDER TITLE:

American Agriculture for Fast Track [binder] [1]

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RESTRICTION CODES

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P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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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]

AMERICAN AGRICULTURE FOR FAST TRACK

JASON BERMAN
SPECIAL COUNSELOR TO THE
PRESIDENT
169 O.E.O.B
456-1986

**AMERICAN AGRICULTURE
FOR FAST TRACK**

THE WHITE HOUSE
WASHINGTON

Date:

Jane

To:

From: Special Counselor for Fast Track

notebook for
Agreement

Section 1 Endorsement
Section 2 Ag. Rep.
Section 3 Ag. Issues

Jay-

-some suggestions for your remarks to the AG group tomorrow morning...

As Sean Darragh at USTR said today, "we haven't had a new thought in weeks on FTNA"..but I think it would be well received to mention a few points to the Ag group:

** They, agriculture, DO have grass roots and that you and the President recognize how long and how hard they've been working...they were out front with us the day of the announcement, even without the text.

**The Administration set the bar high for agriculture in the language they put forward and, so far, no one has lowered it and we are pleased about that...ag has not been diminished in any of the bills.

**When recognizing Marion Barry, you might point out that agriculture is the only sector that has a legislatively mandated "Special Assistant to the President for Agriculture and Trade, which says a lot about both the President's commitment to trade and alot about Marion Barry. While the Clinton Administration misses his expertise at USDA, they are very pleased that he now has a vote.

**When recognizing Rep. Cal Dooley, you may note that he was a very strong proponent of the Uruguay Round and NAFTA, and, that he is an ardent fast track supporter who has shown great leadership in building support for it in the house.

**Probably your first question will be, " We haven't heard much from Clinton, is he really committed to fast track ?"
--Part of your answer can be that even when, and especially when he was on travel he was really working the phones, as were his aides. Air Force has eighty-four telephones, yes 84, and that they were put to heavy use for promoting fast track, on each leg of his trip to Latin America

June
18/21

THE WHITE HOUSE
WASHINGTON

AGRICULTURAL GROUPS

October 22, 1997
8:30 AM - 9:30 AM
Indian Treaty Room, OEOB

WELCOME AND INTRODUCTION

Jay Berman
Special Counselor to the President

Secretary Dan Glickman

Peter Scheer
Special Trade Negotiator
USTR

QUESTIONS AND ANSWERS

TALKING POINTS ON FAST TRACK AND FOREIGN POLICY

Fast Track and American Leadership – Overview

- **The fast track debate is about much more than trade. It is about American leadership in the world. Other governments, particularly those in Latin America, view fast track as a test of whether the United States intends to maintain our half century of leadership -- or retreat and turn inward.**
- **A failure of U.S. leadership would be a huge mistake. For over 50 years, we have led the world toward freer markets -- reducing average tariffs from 40% at the end of World War II to about 5% today. That has led to a 90-fold increase in trade, which has enormously benefitted the U.S. We must not turn our back on that progress.**
- **American leadership is not divisible. If we fail to lead on trade, our influence will suffer in other areas. The patterns of trade developed in the coming decades will create patterns affecting our national security, foreign relations and political interests. If Latin America is permitted--by default in our leadership--to turn increasingly to Europe and Asia in its trade relations, it will weaken our relationship with Latin America. Rejecting fast track would also send a terrible signal to emerging markets, undermining the developing world trend toward free market policies and democracy.**

Exports and U.S. Growth

- **For the U.S., the case for fast track is clear: if we are to sustain our economic growth, we must export. Since 1993, one-third of our growth has come from exports. Over the next decade, the economies of Latin America and Asia are expected to grow at three times the rate of the U.S. economy. In a world where 96% of the world's consumers live outside our borders, we must export to grow. It's that simple.**
- **We are in a perfect position to compete. Our economy is the envy of the world. We are once again the world's most competitive economy, the world's largest exporter, the leading producer in key industries like automobiles, semiconductors and pharmaceuticals. It makes no sense to sideline ourselves now.**
- **But we cannot afford to take our economic leadership for granted. Throughout the world, other countries are moving to reach trade deals opening their markets. We can either lead this process--or watch it proceed without us:**
 - **In Latin America and Asia alone, other countries have reached more than 20 preferential trade agreements without us. Today every major economy in the hemisphere has a preferential trade deal with Chile, except the U.S.**
 - **The EU is seeking a preferential trade agreement with MERCOSUR, a market of over 200 million people and a GDP exceeding \$1 trillion. President Chirac has declared "the future of the region rests with Europe, not the United States."**

Fast track and American Foreign Policy

- **Fast track is a test of our foreign policy.** As the sole remaining superpower, the United States has a fundamental interest in aiding both security and prosperity around the world -- particularly in our own hemisphere. Stable trading relationships are critical to that end. In the post Cold-War world, trade agreements serve some of the same purposes security pacts played during the Cold War: They bind nations together through a set of shared interests and common objectives.
- **If the U.S. fails to lead, we risk losing influence by default.** The trade patterns set in coming decades will have enormous strategic importance too. That is part of the strategy behind FTAA and APEC processes. They are not just economic: they are also intended to reinforce broader U.S. engagement in Latin America and Asia, two regions where U.S. foreign policy strategic and security interests are deeply implicated. Rejecting fast track would signal retreat from these initiatives.
- **That would clearly undermine broader U.S. interests.** Latin America sees trade as the linchpin of a stronger hemispheric relations -- our failure to engage would undermine cooperation on a range of issues including drug interdiction, immigration, environmental protection and corruption. In Asia, the industrialization of 3.5 billion people in the arc from Korea to Pakistan will be perhaps the greatest development of the 21st Century. It is critical to America's economic and security interests that we be deeply engaged in the transformation. Without fast track, we are crippled in that effort.
- **The cause of democracy and free markets would also suffer.** After decades of failed experiments and anti-Americanism, many of the world's emerging markets today are embracing free markets, democracy and other American values. Today -- for the first time in history -- on behalf of the world's population lives under elected rulers. But this fragile progress will continue only if we continue to press countries to embrace free trade policies, build stronger middle classes and strengthen the building blocks of democracy. Rejecting fast track would send a terrible signal that we are not serious about trade liberalization and reform.

Conclusion

- **The United States faces a critical choice.** We can continue to make our economy the model for the rest of the world, open foreign markets, and reaffirm our global leadership. Or we can convince ourselves that we cannot compete, turn inward, and cede that leadership to others eager to take our place. The choice is that stark -- and that important.

Sunkist

Interoffice Memorandum

Federal Government Affairs

DATE: 6 October 1997

TO: Mr. Jay Berman
Special Counselor to the President
The White House

FROM: Mike Wootton
Director, Federal Government Affairs
tel. 202-879-0256

RE: Fast Track Trade Legislation

Randy Jones of the National Council of Farmer Cooperatives called today to advise me of your recent conversation with him concerning fast track legislation. Randy indicated you believed Sunkist Growers was opposed to extending to the President such trade authority and that we were "raining on your parade."

For your information, the attached letter (text) was sent to each Representative and Senator from California and Arizona along with the descriptive enclosure concerning our industry's trade concerns which we hope would be addressed by the Administration utilizing the requested trade authority.

I trust the enclosed addresses your concerns. We have advised Deputy Secretary of Agriculture Richard Rominger and Ambassador Peter Scher of the USTR of our support for fast track authority for the President.

Enclosure - 4 pages



24 September 1997

Representative/Senator _____
_____ House Office Bldg./Senate Office Bldg.
Washington, D.C. 20515

Sunkist Growers
50 F Street N.W.
Suite 1100
Washington, D.C. 20001
Tel: (202) 879-0256

Dear Congressman/woman or Senator _____ :

Last week, the President submitted to Congress proposed legislation entitled The Export Expansion and Reciprocal Trade Agreements Act of 1997 to renew essential negotiating authority for the Administration to commence efforts with America's trading partners to establish new terms and conditions of trade and remedy outstanding trade problems.

While we had some initial concerns and reservations about this initiative, we now believe the President's proposal with its stated agricultural components and objectives adequately addresses our earlier expressed apprehensions. **Sunkist Growers urges you to support legislation extending to the President traditional negotiating authority. The "fast track" proposal, with its agricultural provisions, provides needed negotiating authority for our government to seek remedy for our industry's many outstanding trade difficulties.**

With one-third of our fresh citrus fruit sold in foreign markets accounting for forty-five percent of our annual gross revenue, Sunkist Growers - a non-profit agricultural marketing cooperative owned by 6,500 citrus farmers in Arizona and California - depends upon foreign market access under competitive conditions for our American-origin citrus fruit. Absent the essential negotiating authority provided by this legislation, our U.S. government negotiators will be unable to sit down with our present and prospective foreign trading partners and effectively work to remedy a wide range of outstanding barriers to trade. For your information, I have enclosed a summary of current foreign trade issues of specific concern to Sunkist Growers.

In addition to responding favorably to the Administration's request for your support for this legislative authority, we ask you to underscore the importance of addressing these agricultural issues in future negotiations. Thank you for considering our growers' interest in this important foreign trade matter.

Sincerely,

WILLIAM K. QUARLES
Vice President, Corporate Relations
and Counsel

attachment



FALL 1997

Sunkist Growers
50 F Street N.W.
Suite 1100
Washington, D.C. 20001
Tel: (202) 879-0256
FAX: (202) 628-8233

**The Following is a Summary of Sunkist Growers' Outstanding Trade Concerns
Post-Uruguay Round Agreement(s):**

Continuation by the European Union (EU) of discriminatory tariff preference scheme under which EU gives preferred Mediterranean basin countries, notably Morocco and Israel (South Africa likely to be added to this preference list), up to an 80% discount from the common external tariff applied to citrus fruit meanwhile imposing up to a 20% duty on American citrus fruit. This discriminatory policy has a particularly adverse effect on our summer and winter oranges. Previous effort by the U.S. government to remedy this unfair trade practice failed despite a favorable opinion rendered by the GATT-Dispute Resolution entity. These conditions have effectively removed us from competition in Europe.

Continuation by some trading partners to use unfounded, non-science based phytosanitary quarantines against U.S. origin citrus fruit as a means to deny market access. This is an issue we have sought to remedy over several years of negotiation with the Chinese in an effort to gain market access to the People's Republic of China (PRC). Clearly in the case of the PRC, unjustified, non- science based denial of market access for our citrus fruit is a violation of WTO standards. Correction must be a condition precedent to China's entry into the WTO. Periodically, allegations of phytosanitary concern will be employed by various trading partners to reduce volumes of our citrus fruit imported into their markets. For example, Korea has used this methodology to reduce our grapefruit sales in their market. There exists a clear need to expand and improve the dispute resolution mechanism for resolving SPS matters.

While Argentina is presently seeking U.S. market access for its fresh oranges, lemons and grapefruit, it has erected extensive prohibitions and quarantines against California and Florida citrus fruit exports to Argentina. Its approved lemon importation from certain counties in California includes many where no citrus is even grown and prohibits the counties where most production occurs. Argentine phytosanitary prohibitions are non-science based and are contrary to the import policies of our other major citrus trading partners like Japan. Argentina's quarantines must be eliminated. If the U.S. government provides market access for Argentine citrus fruit, as is presently being considered, it must be done with reciprocity for U.S. citrus fruit into the Argentine market.

Tariff inequities resulting in lack of reciprocity and harmonization of tariff reduction schedules has continued to plague U.S. agricultural exporters. It has too often been our experience that progressive tariff reduction agreements between the US and its trading partners have produced swift and significant reductions in our tariff schedules for their products coming into the U.S. market but have allowed a slower, less dramatic and more protracted implementation of tariff reductions for our products into their markets.

Despite the national outcry over the long standing, massive trade deficit suffered by the U.S. in its trading relationship with Japan - upwards of \$40 Billion in 1997 alone - we still are denied harmony in tariff rates. While Japanese products enter the U.S. nearly duty free, our fresh oranges, for example are confronted with a duty of up to 40% just to be able to get into the Japanese marketplace. Sunkist alone paid over \$30 million to the Japanese government last year for tariffs! If and when market access to the PRC is achieved, U.S. origin citrus fruit will face a 52% tariff and a 17% VAT for a total duty of 69% just to be able to compete in the PRC marketplace. Such daunting tariffs weaken our ability to compete and must be reduced.

Some fifteen years after implementation of the U.S.-Israel Free Trade Agreement, U.S.-source oranges enter Israel duty free only under a TRQ that permits only 1,060 metric tons; outside that limited TRQ, the duty rate jumps to 30% for U.S. oranges. As a result, total volume of U.S. citrus exported to Israel in 1996 was virtually non-existent. In contrast Israeli oranges enter the U.S. duty free and without a quota. The volume of Israeli oranges entering the U.S. market in 1996 was 219 MT. It is also our direct experience that California citrus growers, working with Israeli importers, are promptly and consistently denied access to the Israeli market to export even produce like citron which is used by Orthodox Jewish congregations for certain religious occasions. U.S. citrus exporters and their Israeli importers are told by Israeli government officials that such products are prohibited for importation under a 1970 Israeli law. Such experiences vividly demonstrate our relationship is hardly one of "free trade."

Lack of harmonization is further demonstrated by our trading relationship with Chile. U.S. origin citrus fruit faces a duty of 11% plus an 18% VAT. In contrast, Chilean citrus enters the U.S. market nearly duty-free with tariffs often less than 1%. Chile continues to deny market access for Arizona citrus fruit.

In the case of Thailand, the duty for U.S. origin oranges is 51%, for lemons and grapefruit it is 56%. Furthermore, under the Uruguay Round agreement, Thailand has the option of assessing a specific duty - baht/kg - in lieu of the ad valorem duty, but in no case can the specific duty assessment (on an ad valorem equivalent) exceed that of the ad valorem rate.

In the Korean market, we face both high duties and a quota. In 1997, the quota for oranges is 25,000 MT. Duty for oranges within the quota is 50%; imports outside the quota are permitted after July 1, but face an onerous 89% duty. That 89% duty will only gradually be relaxed to a still very high 50% by 2004. Fresh produce in general has in the past experienced problems with customs inspection and clearance prompting U.S. government initiated WTO action.

There exists an urgent need to improve standards to avoid unjustified use of balance-of-payments economic defense against providing market access for certain imported products. It is hoped that within a reasonable period of time, we can gain access to the market access to India. Phasing out of these restrictions must be a high priority. Even when access to the Indian market is realized, we still face a 42% duty imposed on our fresh citrus fruit exports from the U.S.



NATIONAL COUNCIL OF FARMER COOPERATIVES

October 2, 1997

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

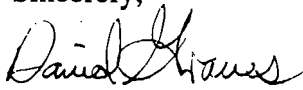
Dear Ambassador Barshefsky:

I am writing on behalf of the National Council of Farmer Cooperatives (NCFC) to request the opportunity to meet with you this week to discuss our industry's views with regard to renewing the President's trade negotiating authority under fast track, as well other trade-related issues and concerns.

NCFC is a nationwide association representing America's nearly 4,000 local and regional farmer cooperatives and their approximately 2 million farmer owners. These farmer-owned businesses handle, process and market virtually every commodity grown and produced in the United States; manufacture, sell and distribute farm inputs; and provide credit and related financial services, including export financing, for and on behalf of their farmer and cooperative members.

It is my belief that such a meeting would be extremely timely given the fact that NCFC's Executive Committee is scheduled to meet next week and will consider action relating to pending fast track legislation now before Congress. Accordingly, we would very much appreciate the opportunity to meet with you on this important issue.

Sincerely,


David Graves
President

cc: Jason Berman



Farmland Industries, Inc.
Suite 520 East
1100 New York Avenue, N.W.
Washington, DC 20005
Telephone: 202 783-5330
Facsimile: 202 783-4381

Government Relations

P. Scott Shearer
Director
National Relations
E-Mail: psshearer@farmland.com



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PRODUCERS • GINNERS • WAREHOUSEMEN • MERCHANTS • CRUSHERS • COOPERATIVES • MANUFACTURERS

September 23, 1997

Mr. Jay Berman
Special Counsel to the President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Berman:

This is to notify you of the recent action taken by the National Cotton Council's Board of Directors concerning fast-track negotiating authority. I have enclosed a copy of our letter to Ambassador Barshefsky informing her of the NCC Board's decision to support the concept of fast-track negotiating authority.

Thank you for your consideration of our views. We look forward to working with you as appropriate fast-track legislation is developed.

Sincerely,

A handwritten signature in black ink, appearing to read "John Maguire". The signature is fluid and cursive.

John Maguire, Vice President
Washington Operations

cc: Cheri Carter, Special Assistant to President - Public Liaison
Barbara Woolley, Deputy Assistant to President - Public Liaison

Identical letter to:

Mr. Mac McLarty, The White House
Ambassador Designate Peter Scher, U.S. Trade Representative's Office
Secretary Dan Glickman, U.S. Department of Agriculture



1521 New Hampshire Avenue, NW • Washington, DC 20036
(202) 745-7805 • FAX (202) 483-4040

PRODUCERS • GINNERS • WAREHOUSEMEN • MERCHANTS • CRUSHERS • COOPERATIVES • MANUFACTURERS

September 22, 1997

The Honorable Charlene Barshefsky
Office of the United States Trade Representative
The Winder Building, 600 17th Street NW
Washington, DC 20508

Re: Fast Track Trade Negotiating Authority

Dear Ambassador Barshefsky:

The purpose of this letter is to convey the National Cotton Council's recently adopted position concerning proposed legislation that would grant fast-track trade agreement negotiating authority to the President. The National Cotton Council (NCC) is the central organization of the United States cotton industry. Its members include producers, ginner, oilseed crushers, merchants, cooperatives, warehousemen, and textile manufacturers.

At its recent meeting in Memphis, Tennessee, the Board of Directors of the National Cotton Council voted to support the concept of fast-track negotiating authority. Specifically, the Directors adopted the following resolution:

Recognizing that trade agreements that expand trade opportunities for U.S. cotton, cottonseed, cotton textiles and their products are crucial to the financial well-being of the U.S. cotton industry, and that fast-track negotiating authority is an appropriate means to help achieve such agreements, the Board of Directors of the National Cotton Council favors the concept of fast-track negotiating authority. The Board urges the Administration and Congress to work with the Council to develop fast-track provisions that require consultation with Congress and the private sector and contain negotiating objectives that will lead to trade agreements that will benefit the U.S. cotton, cottonseed, cottonseed products and textile industries.

International trade and the treaties that govern it are extremely important to U.S. cotton. The United States depends on exports to dispose of approximately 40% of its annual cotton production. It also depends upon a healthy U.S. textile industry as a market for 60% of annual production.

Amb. Barshefsky, page 2

The U.S. cotton industry has benefitted significantly from the North American Free Trade Agreement. Imports of cotton textiles from the NAFTA/Caribbean region are surging as similar imports from China and the Far East are slowing. Approximately 80% of the cotton textiles imported into the U.S. from the NAFTA/CBI region are of U.S. origin, compared to only 20% of cotton textiles imported from the Far East. Carefully crafted trade agreements, particularly those relating to North, Central and South America, can result in increased consumption of U.S. cotton, cottonseed, cotton textiles and their products.

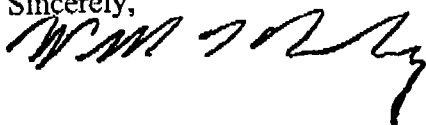
The NCC is in full support of the agricultural negotiating objectives contained in the Administration's proposed fast-track legislation. That language represents a welcome emphasis on agricultural trade barriers and subsidies. We also applaud the strong Congressional and private sector consultation provisions contained in the draft legislation.

The NCC would support stronger language directing our trade negotiators to work to end policies that serve as trade barriers or export subsidies with respect to trade in value-added (manufactured) products. Substantial trade barriers, both transparent and non-transparent, still exist with respect to trade in cotton textiles. Likewise, many developing countries consider the encouragement of cotton textile exports to be a fundamental part of their economic strategy. Our negotiators should work to curb such "encouragement" to the extent it crosses the line into subsidization and results in distortions in international trading patterns to the detriment of the U.S. cotton industry.

Finally, it should be noted that the NCC is on record opposing the inclusion in any future trade agreement language establishing dispute settlement mechanisms that can overrule the actions of U.S. courts.

Thank you for your attention to our views. We look forward to working with you to ensure fast-track negotiating authority is enacted.

Sincerely,



William T. Lovelady
President

eral months to unclog its rail network in Texas, though it says progress is being made.

Ed Rastatter, director of policy for the National Industrial Transportation League, said, "We're looking at the proposals. If members are interested

ders have been in response to financial rather than service problems.

The BNSF list of proposals includes:

- Leasing one of the former SP tracks in the Houston area that would form a direct link

and terminal switching railroads in Houston to facilitate service.

Cost of Credit

Friday, Sept. 18, 1987
Percentages Per Year

INTERNATIONAL INTEREST RATES				
Canada	U.K.	Germany	Netherlands	Switzerland
Day-to-Day				
3.31	8.93	3.15	3.00	1.34
Time deposits (3 mos.)				
3.58	7.06	3.10	2.95	1.58

EURODOLLARS				
O/Night	1 Mo.	3 Mo.	6 Mo.	12 Mo.
London				
5.28	5.53	5.56	5.60	5.66
Bid side, interbank quotations.				
International interest rates supplied by Reuters Money Service.				

UNITED STATES RATES				
Federal Reserve	Treasury Bills	Prime	Commercial	Acceptances of Dep.
8.3750	4.83	5.65	5.62	5.58
90 days, 180-119 days.				
U.S. prime rate, 8.50%; Central bank discount rates: U.S., 5.00%; Germany, 2.50; Netherlands, 2.60; Belgium, 2.50; France, intervention rate, 3.10; Switzerland, 1.00; Italy, 8.25; Canada, 3.50; Japan, 0.50; Bahrain, base lending rate, 7.0.				

American Farm Bureau Federation joins agricultural groups backing fast track

JOURNAL OF COMMERCE STAFF

WASHINGTON — The American Farm Bureau Federation has now weighed in with support for the administration's proposal for new trade negotiating authority.

The Farm Bureau was no-

ticeably absent from a list of 39 agricultural organizations and companies that two weeks ago voiced strong support for the new trade authority.

The group seldom backs a concept before actual legislation is made public, Washington Farm Bureau officials said.

Business Index

A-America Cargo Services Inc.	9C
Aerospaciale	11A
Aetna	5A
Air France	18A
Air Liquide	4C
Air Marine Forwarding Co.	9C
AJC International	3B
Alabama State Docks	4C,6C
Alburger, Basso and deGroz	14A
Allstate Insurance Co.	5A
Almazay, Rosell-Sakha	10A
American Commercial Barge Lines	11C
American International Group	5A,14A
American President Lines	1A,1D,6D
Amertrans Worldwide Holding Corp.	11A
Amtrak	18A
Aon Corp.	5A
Aracruz Celulose SA	1D
British Petroleum	15A
Burlington Northern and Santa Fe Railway	11A,1C
C.H. Robinson	1C
Canadian National Railway	11A,1C
Capital Re Corp.	5A
Cargill Ferrous International	8C
Cargolux	18A
Carnival Cruise Lines	2B
Caterpillar	9C
Chevron USA	10A
China Container Co.	13A
China Ocean Shipping Co.	10C,6D
China Southern Airlines Group Co.	18A
Cho Yang Shipping Ltd.	6D
Chubb Insurance	17A
Cigna	5A
Circle Freight International	9C
ClearFreight Inc.	9C
Coastal Cargo Co.	4C
Compania Sud Americana de Vapores	1A
Conrail Inc.	18A
Conseco Inc.	5A
Consolidated Stores	18A
Cool Carriers	10C
Cooper T. Smith Stevedoring	7C
Cosco (Hong Kong) Group Ltd.	13A
Coamo Oil Co.	9A
CP Rail	11A
Crescent Shipping	4C
CSX Corp.	18A,11C

De Beers	10A
DSR Senator Line	6D
Empire Stevedoring Inc.	4C
Evergreen Marine Corp.	13A
Exel Ltd.	5A
Far Eastern Shipping Co.	6D
Federal Express Corp.	18A
Forest Lines	18A,1C,7C
Garuda Indonesia Airlines	18A
GE Appliances	18A
General Re Corp.	5A
Georgia Ports Authority	3C,1D
Glazer Steel Corp.	6C
Global Lines	4C
Golden Stevedoring Co.	8C
Grupo ICA	1A
Hanjin Shipping Co.	13A,6D
Hartz Mountain Corp.	18A
Heinz Service Co.	18A
Hoechst Lines	5C
Holland America Line	2B
Hyundai Merchant Marine	13A,6D
Hyundai Petrochemical	8A
Illinois Central Railroad	18A
IMC Holdings Ltd.	1B
Inchcape Services	18A
Indiana Port Commission	3C
International Paper Co.	7C,12C
International Shipholding Corp.	7C
International Transportation Logistics	3B
Jacksonville Port Authority	1D
Jauch & Huebener (Germany)	5A
KLLM Transport	3B
Leif Hoegh & Co.	2B
Limited Distribution Services	18A
Los Angeles-Long Beach	11A
M.G. Maher & Co.	11C
Marine Terminals Corp.	10C
Marsh & McLennan	6A
Maryland Port Administration	3C
Massachusetts Port Authority	1D,2D
MBLX Inc.	11C
Mid Ocean Ltd.	5A
Mitsui O.S.K. Lines	6D
Model's	18A
Munich Re	15A
Neptune Orient Line	8D
New York Export	3B
Newco Steel Trading Inc.	6C
Nike Inc.	3A

Nippon Oil	8A
Norfolk Southern Corp.	18A
North Carolina State Ports Authority	3C,2D
Northern Shipping and Stevedoring	1B
Northwest Airlines	18A
Ontario Hydro	8A
Orient Overseas Container Line	6D
Osprey Underwriting Agency	19C
Owens Corning	18A
P&O (Australia) Terminals	1A
Paccar	10C
Packers Provision	3B
Philadelphia Regional Port Authority	1D
Philippine Airlines	11A
Phoenix International Shipping Co.	4C
Port of Bahia Blanca	2D
Port of Baltimore	3C,1D
Port of Boston	1D
Port of Brunswick	3C
Port of Charleston	7C
Port of Colon, Panama	2D
Port of Corpus Christi	4C,2D
Port of Ensenada, Mexico	2D
Port of Halifax	1D
Port of Havana	2D
Port of Houston	1C,4C,2D
Port of Jacksonville	2D
Port of La Guaira	1A
Port of Long Beach	11A,10C,2D
Port of Los Angeles	10C,1D
Port of Manzanillo	1A
Port of Miami	3D
Port of Mobile	3B,4C,1D
Port of New Orleans	1C,4C,6C,11C,1D,2D
Port of New York & New Jersey	17A,1D
Port of Norfolk	3D
Port of Oakland	10C,3D
Port of Palm Beach	2D
Port of Philadelphia and Camden	6C,1D,2D
Port of Port Hueneme	10C
Port of Portland	1D
Port of Rio de Janeiro	2D
Port of Rio Grande do Sul	2D
Port of Salem, Mass.	1D
Port of San Diego	10C
Port of Santos	1A
Port of Savannah	1C,3C,7C,1D

Port of Seattle	.....
Port of Shanghai	.....
Port of Tacoma	.....
Port of Tampa	.....
Port of Valparaiso	.....
Port of Vancouver	.....
Port of Veracruz	.....
Port of Wilmington	.....
Principal Financial	.....
Rayonier Inc.	.....
Reebok Corp.	.....
Ricorp Inc.	.....
Safmarine	.....
Safren	.....
Santos Port Author	.....
Saudi Arabian Airli	.....
Sea-Land Service	.....
Seabourn Cruise L	.....
Seattle-Tacoma Int	.....
Shanghai Cosco	.....
Shoas Shell Sdky	.....
Star Shipping	.....
Stevedore Service	.....
Structural Steel S	.....
Sunkist Growers I	.....
Swiss Re	.....
Tai Chong Chean	.....
Tampa Bay Intern	.....
Terra Nova Insure	.....
Toyota	.....
Transamerica	.....
Transoceanic Shit	.....
Transportation M	.....
Travelers Group	.....
Tyson Foods	.....
U-Haul Internatio	.....
Unicool	.....
Union Pacific Rai	.....
United Air Lines	.....
United Parcel Se	.....
Vancouver Port C	.....
Westchester Spa	.....
Westinghouse El	.....
Winterthur	.....
World-Wide Ship	.....
Xerox Corp.	.....
Yangmiao Marit	.....
Zim Containerlin	.....
Zim Israel Navig	.....
Zurich Insurance	.....

→ Jane von Kaene/



The Other
White Meat

National Pork Producers Council
122 C Street, NW, Suite 875
Washington, D.C. 20001

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Comments:

Attached, please find the ~~latest~~ list of ~~Ag organizations~~ in support of ~~fast-track~~ (644). I've also included Karl Johnson's statement which will be made tomorrow before the General Farm Commodities Subcommittee of the House Ag Committee.

** Please note that Nick Giordano will be in Asia until October 3. Should you have any questions, please feel free to contact Kirk Ferrell or Al Trank of our office.

Agriculture Organizations Supporting Fast-Track*As of September 22, 1997*

Agricultural Retailers Association
American Crop Protection Association
American Feed Industry Association
American Horse Council
American Meat Institute
American Soybean Association
Blue Diamond Growers
Bunge Corporation
Cargill, Inc.
Central Soya Company, Inc.
Chocolate Manufacturers Association
ConAgra, Inc.
Continental Grain Company
Corn Refiners Association, Inc.
Farmland Industries, Inc.
The Fertilizer Institute
International Dairy Foods Association
Louis Dreyfus Corporation
Miller's National Federation
National Broiler Council
National Cattleman's Beef Association
National Confectioners Association
National Corn Growers Association
National Food Processors Association
National Dry Bean Council
National Grange
National Grain and Feed Association
National Grain Sorghum Producers
National Grain Trade Council
National Pork Producers Council
National Oilseed Processors Association
National Sunflower Association
Nestle USA, Inc.
North American Export Grain Association
Northwest Horticultural Council
United Egg Association
United Egg Producers
U.S. Apple Association
U.S. Dairy Export Council
U.S. Feed Grains Council
U.S. Meat Export Federation
U.S. Wheat Associates, Inc.
USA Poultry & Egg Export Council
USA Rice Federation

**Statement of the
National Pork Producers Council**

**on Fast-Track Trade Authority:
Impact on Agriculture**

**presented by
Karl Johnson, Past President
National Pork Producers Council**

**before the
General Farm Commodities Subcommittee
of the House Agriculture Committee**

September 23, 1997

Mr. Chairman and members of the subcommittee:

I am Karl Johnson, a Mankato, Minnesota based pork producer of a 1,800 sow farrow-to-finish operation. I have been raising hogs on my family farm since 1969. I also farm corn and soybeans. My family has held our farm since 1912. I am a former president of the National Pork Producers Council (NPPC). I currently serve as Chairman of NPPC's Trade Committee and as Secretary-Treasurer for the U.S. Meat Export Federation. I appreciate the opportunity to appear on behalf of U.S. pork producers to express our views on the importance of renewing fast-track trade negotiating authority.

The National Pork Producers Council is a national association representing 44 affiliated states who annually generate approximately \$11 billion in farm gate sales. According to a recent Iowa State study conducted by Otto and Lawrence, the U.S. pork industry supports an estimated 600,000 domestic jobs and generates more than \$64 billion annually in total economic activity.

With 10,988,850 litters being fed out annually, 1.065 billion bushels of corn valued at \$2.558 billion are consumed by U.S. pork producers. Feed supplements and additives represent another \$2.522 billion of purchased inputs from U.S. suppliers which help support U.S. soybean prices, the U.S. soybean processing industry, local elevators and transportation services based in rural areas.

Pork is the world's meat of choice. Pork represents 44 percent of daily meat protein intake in the world. Even though there's been a huge global market for pork and pork products, efficient U.S. producers were precluded from exporting significant volumes of pork in the pre-Uruguay Round Agreement, pre-NAFTA era. A combination of foreign market trade barriers and highly subsidized competitors kept a lid on U.S. pork exports.

Renewal of Fast-Track is Critical:

Pork producers realize that their future is based on their ability to export. Therefore, the renewal of fast-track trade negotiating authority is of paramount importance to producers. As you may know, pork producers were one of the first groups to express strong public support for the renewal of fast-track trade negotiating authority. Indeed, our Washington office has been coordinating the efforts of the Agriculture Coalition for Fast-Track. As of September 19 there are 41 agricultural organizations in support of fast-track. A list of these organizations is attached to my statement. In addition, many of these organizations have prepared one-page statements in support of fast-track. These statements have been compiled and have been made available to the committee.

The U.S. pork industry has reaped tremendous benefits from recent trade agreements. Since 1995, when the Uruguay Round Agreement went into

effect, U.S. pork exports to the world have increased by approximately 45 percent in volume terms and 75 percent in value terms from 1994 levels. The U.S. pork industry exported over one billion dollars of pork for the first time in 1996. We anticipate explosive export growth to continue in 1997.

U.S. pork exports to Mexico sky-rocketed in 1994 when NAFTA went into effect. Even with the devaluation of the peso, U.S. pork increased market share in Mexico. This would not have happened without NAFTA. U.S. pork now has over 95% of the Mexican pork import market and in 1996 Mexico was the pork industry's second most important market behind Japan in terms of value.

Like other American pork producers, my family has benefitted from these trade agreements through strong and growing exports. I ship my hogs to the Swift-Monfort plant in Worthington, Minnesota and the Hormel plant in Austin, Minnesota; both of which export a significant part of their production. The boost in exports over the past several years has been fundamental to the economic health of our business. The recent expansion of our production up to 1800 sows is largely based on the success of exports. Moreover, my niece and her husband as well as a number of other relatives recently joined the family business, again in large part due to burgeoning pork exports. Last year global trade boosted the bottom line for all pork producers as exports added an estimated \$10 per head to cash hog prices.

My family's positive experience with international trade agreements is shared by many others in American agriculture. Research conducted by the Economic Research Service (ERS) of USDA indicates that for each dollar of value-added agricultural exports such as pork, \$1.63 in additional U.S. economic activity is generated. The total contribution to U.S. economic activity from agricultural exports in 1996 is estimated to be \$140 billion by ERS. Moreover, ERS calculates that every billion dollars in pork exports creates an additional 23,000 new jobs in the U.S. economy. ERS data indicate that U.S. agricultural exports support nearly a million jobs with more than 60 percent of those jobs off the farm in processing, transportation, and trade. Export-related jobs pay higher than average wages, providing good-paying jobs for American workers in rural and urban areas throughout the nation.

I recognize that while the U.S. agricultural export performance has been good, foreign trade barriers and other factors continue to prevent us from realizing our potential in international markets. Based upon the annual foreign market barrier reports prepared by the office of the U.S. Trade Representative, it appears that about half of all foreign trade barriers are in the agricultural sector. The Foreign Agricultural Service estimates that agricultural exports are reduced by \$4.7 billion annually by unjustifiable sanitary and phytosanitary measures alone.

Given that the Uruguay Round was the first major trade round that included agriculture, these problems should not be surprising. Global agriculture is an extremely protected sector. Most of these problems pre-date both the Uruguay Round and the NAFTA. These problems must not undermine agriculture's support for fast-track. Indeed, I believe these issues compel us to support fast-track so that we can find effective remedies to these outstanding problems.

Secretary Glickman has said "either we export or we die." I couldn't agree more with him. In the U.S. economy at large, agriculture was the number one positive contributor to the U.S. trade balance in 1996. American agriculture is more than twice as reliant on foreign trade as the U.S. economy as a whole, with exports currently accounting for an estimated 30 percent of agriculture's cash receipts. We have a mature market for pork and other agricultural products in the United States. However, the other 96% of the world, which lives outside our borders, is experiencing rapid economic growth. The first thing that people do when they move up from poverty is upgrade their diets. Simply put, if we don't get fast-track renewed, U.S. agriculture will lose billions of dollars in the short term and in the long run we risk losing our comparative advantage.

The next round of global agricultural trade negotiations is scheduled to begin in late 1999. Removing tariff and non-tariff barriers to trade -- helping to open new markets and gain increased access to existing markets -- is critical for U.S. pork producers. If the United States is not leading the charge in 1999, at best, nothing will happen which means that U.S. agriculture will lose billions of dollars of potential sales. At worst, the EU and other countries will build momentum for initiatives hostile to U.S. agriculture such as weakening the Sanitary and Phytosanitary Agreement. Adequate preparation for and participation in these negotiations require the renewal of fast-track authority now.

Fast-track authority is also needed so that the U.S. can pursue trade liberalization with our western hemisphere neighbors and the 18 member countries of the Asia Pacific Economic Cooperation forum (APEC). The U.S. pork industry is disadvantaged by the failure of the United States to keep up with the pace of trade agreements in the western hemisphere. The rapidly expanding Brazilian pork industry -- a key competitor to the U.S. industry -- now has preferential access into many markets to the detriment of U.S. producers. Canada, another significant competitor, has gained preferential access into Chile through a free trade agreement. With respect to the APEC nations, these countries will experience the majority of the world's population and income growth in the next 8 to 10 years, passing through the middle ranges of per capita income where the shift in dietary patterns is particularly pronounced. Yet, it is precisely these same countries which lack surplus food producing resources. The Food and Agricultural Policy Research Institute (FAPRI) projects that Chinese pork consumption will

increase by over 23 percent, approximately 8 million metric tons, in the next ten years. Pork consumption is forecast to increase rapidly in many of the other APEC nations but, like China, most of these countries place significant restrictions on pork imports.

The world will not wait for the United States. We are only four percent of the world's population. While we sit back idly, our trading partners are out negotiating trade agreements at record pace. The European Union, Mexico, Canada, Chile, Brazil, are making news almost every day with their various trade negotiations. In our hemisphere alone, more than 30 bilateral and regional trade agreements are in effect and the United States is party to only one, NAFTA.

The renewal of fast-track authority will facilitate further multilateral, regional, and bilateral trade agreements which will spur exports and keep U.S. agriculture healthy and profitable. I implore you to support fast-track.

NPPC URGES PROMPT RENEWAL OF FAST-TRACK AUTHORITY

- The National Pork Producers Council (NPPC) is a national association representing 44 affiliated states who annually generate approximately \$11 billion in farm gate sales. According to a recent Iowa State study conducted by Otto and Lawrence, the U.S. pork industry supports an estimated 600,000 domestic jobs and generates more than \$64 billion annually in total economic activity. With 10,988,850 litters being fed out annually, 1.065 billion bushels of corn valued at \$2.558 billion are consumed by U.S. pork producers. Feed supplements and additives represent another \$2.522 billion of purchased inputs from U.S. suppliers which help support U.S. soybean prices, the U.S. soybean processing industry, local elevators and transportation services based in rural areas.
- U.S. pork producers were ardent proponents of the Uruguay Round Agreement and NAFTA. The industry urges the prompt renewal of fast-track negotiating authority so that further trade agreements may be executed. These trade agreements permit U.S. pork producers to exploit their comparative advantage in international markets.
- Since 1995, when the Uruguay Round Agreement went into effect, U.S. pork exports to the world have increased by approximately 45 percent in volume terms and 75 percent in value terms from 1994 levels. Indeed, the U.S. pork industry exported over one billion dollars of pork for the first time in 1996. U.S. pork exports to Mexico exploded in 1994 when NAFTA went into effect. Even with the devaluation of the peso U.S. pork increased market share in Mexico -- this never would have happened without NAFTA. U.S. pork now has over 95% of the Mexican pork import market. Mexico is now the pork industry's second most important market behind Japan in terms of value.
- Exports of U.S. pork generate considerable economic benefits. The Economic Research Service of USDA calculates that for each dollar of value-added agricultural exports such as pork, \$1.63 in additional U.S. economic activity is generated. Moreover, ERS calculates that every billion dollars in pork exports creates an additional 23,000 new jobs in the U.S. economy. The National Pork Producers Council estimates that pork exports added \$10 per head to cash hog prices in 1996.
- The United States is uniquely positioned to reap the benefits of liberalized world pork trade. U.S. pork producers are the lowest cost producers of the safest, highest quality pork in the world.
- The next round of global agricultural trade negotiations is scheduled to commence in 1999. The removal of tariff and non-tariff barriers to trade -- so that new markets are opened and access is increased to existing markets -- is of particular importance to pork producers. In order to adequately prepare for and participate in these negotiations, U.S. trade officials need fast-track authority now.

• Fast-track authority is also needed so that the U.S. can pursue trade liberalization with our western hemisphere neighbors and the 18 member countries of the Asia Pacific Economic Cooperation forum (APEC). The U.S. pork industry is disadvantaged by the failure of the United States to keep up with the pace of trade agreements in the western hemisphere. The rapidly expanding Brazilian pork industry -- a key competitor to the U.S. industry -- now has preferential access into many markets to the detriment of U.S. producers. Canada, another significant competitor, has gained preferential access into Chile through a free trade agreement. With respect to the APEC nations, these countries will experience the majority of the world's population and income growth in the next 8 to 10 years, passing through the middle ranges of per capita income where the shift in dietary patterns is particularly pronounced. Yet, it is precisely these same countries which lack surplus food producing resources. The Food and Agricultural Policy Research Institute (FAPRI) projects that Chinese pork consumption will increase by over 23 percent, approximately 8 million metric tons, in the next ten years. Pork consumption is forecast to increase rapidly in many of the other APEC nations but, like China, most of these countries place significant restrictions on pork imports.



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Internet: <http://www.fb.com/>

September 22, 1997

The Honorable Jason Berman
Special Counselor to the President
The White House
Washington, DC 20500

Dear Counselor Berman:

The future of U.S. agriculture is tied to competitiveness in global markets and the ability of the United States to maintain its leadership role in trade negotiations. The value of agricultural exports has doubled between 1984 and 1996 and international markets consume over one-third of U.S. agricultural production. Trade agreements designed to reduce or eliminate barriers and trade distorting practices have been good for most sectors of American agriculture and for the U.S. economy. With declining government support of U.S. agriculture, increased access to international markets is crucial to the future growth and prosperity of the U.S. agricultural economy.

The agricultural industry recognizes that trade negotiating authority is critical to the U.S. role as a credible leader in advancing trade liberalization and opening markets for all sectors. Industry support for this authority is dependent upon several premises including that the proposed legislation not contain language that would allow environmental, labor or other social issues to become trade barriers. In addition there are areas to be addressed to help create and guarantee more open, equitable and reciprocal market access for U.S. agricultural products.

All trade negotiations, regional, bilateral or multilateral, must include agriculture as part of overall market liberalization. Inclusion of all sectors of the agricultural industry is necessary to ensure equal and complete coverage in agreements. Inclusion of agriculture guarantees producers and agribusinesses a fair and equitable place at the negotiating table and protects the intent and spirit of the WTO rules of free trade.

Significant non-tariff barriers remain in place in many regions, particularly in the form of state-owned or sponsored monopolies that limit or distort market access in other markets while, in many cases undervaluing imported commodities competing in the U.S. marketplace. Reform of these exporting and importing state trading enterprises in agricultural markets is a vital trade interest to the United States and its agricultural producers.

With agriculture dependent upon market liberalization for economic stability, it is critical that all future trade negotiations provide market opening guarantees. The authority to negotiate trade



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agreements should provide the following negotiating objectives as guidelines for all agriculture agreements:

Agriculture must be a full participant in any pluralateral, bilateral or multilateral negotiation. Negotiations on agriculture must move forward in tandem with other trade sectors in any renewed or new trade negotiations;

Any bilateral, pluralateral or multilateral trade agreement should result in the elimination of all trade barriers to agriculture with the goal of increased market access. The major objectives of trade liberalization and increased market access must be equitable tariffication leading to the complete elimination of all tariffs to increase market access within specified time frames;

All signatories to trade agreements must be bound to resolving sanitary and phytosanitary issues on the basis of sound scientific principles in accordance with the Uruguay Round agreement;

The dispute resolution procedures under NAFTA, the WTO and all future agreements would be refined and shortened or accelerated to facilitate and address specific commodity needs, especially the issues involving perishable products.

Trade agreements must not be threatened by processes or regulatory standards governing how products are produced but must focus on product standards and guarantee market access for safe products and recognize equivalent processes.

We believe that the administration must have the authority to negotiate with our trading partners. This authority must be based on sound principles that protect and lead to greater market access for American agriculture.

We look forward to working with the Administration and Congress to achieve a focused negotiating authority that will lead to greater market opportunities for American agriculture.

American Farm Bureau Federation
American Feed Industry Association
Agricultural Retailers Association
Grocery Manufacturers of America
National Grange

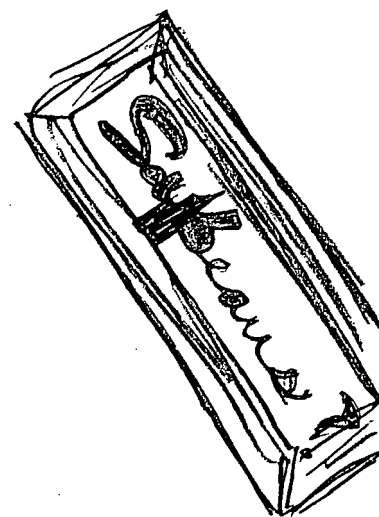
Nestle, U.S.A., Inc.
Northwest Horticultural Council
United Egg Association
United Egg Producers
U.S. Wheat Associates
U.S.A. Poultry and Egg Export Council

A similar letter has been sent to members of the House Ways and Means Committee and the Senate Finance Committee.

Agriculture Organizations Supporting Fast-Track

As of September 22, 1997

Agricultural Retailers Association
American Crop Protection Association
American Feed Industry Association
American Horse Council
American Meat Institute
American Soybean Association
Blue Diamond Growers
Bunge Corporation
Cargill, Inc.
Chocolate Manufacturers Association
ConAgra, Inc.
Continental Grain Company
Corn Refiners Association, Inc.
Farmland Industries, Inc.
The Fertilizer Institute
International Dairy Foods Association
Louis Dreyfus Corporation
Miller's National Federation
National Broiler Council
National Cattleman's Beef Association
National Confectioners Association
National Corn Growers Association
National Food Processors Association
National Dry Bean Council
National Grange
National Grain and Feed Association
National Grain Sorghum Producers
National Grain Trade Council
National Pork Producers Council
National Oilseed Processors Association
National Sunflower Association
Nestle USA, Inc.
North American Export Grain Association
Northwest Horticultural Council
United Egg Association
United Egg Producers
U.S. Apple Association
U.S. Dairy Export Council
U.S. Feed Grains Council
U.S. Meat Export Federation
U.S. Wheat Associates, Inc.
USA Poultry & Egg Export Council
USA Rice Federation





National Corn Growers Association

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keith@dc.ncga.com
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International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

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DEPUTY DIRECTOR

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AGRICULTURE SECRETARIES URGE PROMPT PASSAGE OF FAST TRACK
"American Agriculture Needs to be at the Table in 1999"...

WASHINGTON, Nov. 3 - Eight former secretaries of agriculture serving U.S. Presidents Kennedy, Johnson, Nixon, Ford, Carter, Reagan, Bush and Clinton today urged the Clinton Administration and congressional agricultural leaders to take action to assure prompt passage of fast track legislation.

"Fast track is critical to American agriculture being able to compete and prosper in the years ahead," they said.

"American agriculture competitively produces, handles, processes, services, trades and transports food and fiber that the world wants to buy. Agricultural trade has contributed significantly to U.S. farm income, created jobs and strengthen American economic and political interests. For those reasons, agricultural trade has been a top priority for every administration in recent memory."

Citing the benefits of trade liberalization made possible by previous fast track authorities, the former secretaries noted U.S. agricultural exports surged another \$20 billion in value with the implementation of NAFTA and GATT, hitting a record high \$60.3 billion in 1996. "Our food and agricultural system is now poised to make additional export gains from upcoming trade negotiations," they said.

With economic growth and rising food demand, people all over the world will need to rely to a greater degree on world markets, the secretaries said, "but there is no guarantee that agricultural products grown in the United States may reach them. To assure that, we need to make additional progress lowering trade barriers, eliminating unfair trading practices and constraining domestic subsidies that distort trade. Fast track is the key to unlocking those opportunities."

The secretaries said fast track authorities should be used to level the playing field for U.S. farmers and processors, to help resolve outstanding trade disputes and strengthen the rules of international commerce. They also urged that fast track "should be used as it was in the past — to exercise U.S. leadership in trade."

Copies of the letters to Secretary of Agriculture Dan Glickman and Congressional leaders are attached.

###

November 3, 1997

**The Honorable Dan Glickman
Secretary
U.S. Department of Agriculture
Washington, D.C. 20250**

Dear Mr. Secretary:

No matter one's political perspective, the U.S. food and agricultural system is one of the nation's greatest success stories. American agriculture competitively produces, handles, processes, services, trades and transports food and fiber that the world wants to buy. Agricultural trade has contributed significantly to U.S. farm income, created jobs and strengthened American economic and political interests. For those reasons, agricultural trade has been a top priority for every administration in recent memory.

Having served as the Secretaries of Agriculture to Presidents of both political parties, we have witnessed how U.S. agriculture has benefited from trade liberalization made possible by previous fast-track authorities. With the implementation of NAFTA and GATT, U.S. agricultural exports surged another \$20 billion in value, hitting an all-time high of \$60.3 billion in 1996. U.S. agriculture also has enjoyed a consistent trade surplus, which last year climbed to \$27 billion.

Our food and agricultural system now is poised to make additional export gains from upcoming trade negotiations. Many developing countries are experiencing economic growth which means rising incomes for their citizens. Food demand is expanding as people upgrade their diets. These consumers will need to rely to a greater degree than ever on world markets, but there is no guarantee that agricultural products grown in the United States may reach them. To assure that, we need to make additional progress lowering trade barriers, eliminating unfair trading practices and constraining domestic subsidies that distort trade.

Fast track is the key to unlocking those opportunities. It is the avenue for our negotiators to level the playing field for U.S. farmers and processors to compete. The authorities it conveys can and should be used to help resolve outstanding trade disputes and strengthen the rules of international commerce. Moreover, it should be used as it was in the past — to exercise U.S. leadership in trade.

American agriculture needs to be at the table for the 1999 agriculture talks in the World Trade Organization to continue the progress made in the Uruguay Round. In addition, we need to be active in upcoming bilateral negotiations with countries like Chile and for the regional Free Trade Agreement of the Americas and the Asia Pacific Economic Cooperation talks.

Very simply, fast track is critical to American agriculture being able to compete and prosper in the years ahead. That is why more than 60 agricultural organizations have committed themselves to work for fast track, and why we as former Secretaries of Agriculture support them and you in this effort.

We are urging Congress to promptly pass this urgently needed legislation and the administration to work strenuously at the negotiating table for continued progress in trade.

Sincerely,

**/s/ Orville Freeman
Secretary of Agriculture
Kennedy and Johnson Administrations**

**/s/ Clifford Harden
Secretary of Agriculture
Nixon Administration**

**/s/ Earl Butz
Secretary of Agriculture
Nixon and Ford Administrations**

**/s/ Bob Bergland
Secretary of Agriculture
Carter Administration**

**/s/ John R. Block
Secretary of Agriculture
Reagan Administration**

**/s/ Richard P. Lyng
Secretary of Agriculture
Reagan Administration**

**/s/ Clayton Yeutter
Secretary of Agriculture
Bush Administration**

**/s/ Mike Espy
Secretary of Agriculture
Clinton Administration**

cc: Charlene Barshefsky, U.S. Trade Representative

November 3, 1997

The Honorable Richard Lugar
Chairman
Committee on Agriculture,
Nutrition and Forestry
United States Senate
Washington, D.C. 20510

The Honorable Tom Harkin
Ranking Member
Committee on Agriculture,
Nutrition and Forestry
United States Senate
Washington, D.C. 20510

The Honorable Bob Smith
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles Stenholm
Ranking Member
Committee on Agriculture
U.S. House of Representatives
Washington, D.C. 20515

Dear Gentlemen:

The U.S. food and agricultural system is one of the nation's greatest success stories. American agriculture competitively produces, handles, processes, services, trades and transports food and fiber that the world wants to buy. Agricultural trade has contributed significantly to U.S. farm income, created jobs and strengthened American economic and political interests. For those reasons, agricultural trade has been a top priority for every administration in recent memory.

Having served as the Secretaries of Agriculture to Presidents of both political parties, we have witnessed how U.S. agriculture has benefited from trade liberalization made possible by previous fast-track authorities. With the implementation of NAFTA and GATT, U.S. agricultural exports surged another \$20 billion in value, hitting an all-time high of \$60.3 billion in 1996. U.S. agriculture also has enjoyed a consistent trade surplus, which last year climbed to \$27 billion.

Our food and agricultural system now is poised to make additional export gains from upcoming trade negotiations. Many developing countries are experiencing economic growth which means rising incomes for their citizens. Food demand is expanding as people upgrade their diets. These consumers will need to rely to a greater degree than ever on world markets, but there is no guarantee that agricultural products grown in the United States may reach them. To assure that, we need to make additional progress lowering trade barriers, eliminating unfair trading practices and constraining domestic subsidies that distort trade.

Fast track is the key to unlocking those opportunities. It is the avenue for our negotiators to level the playing field for U.S. farmers and processors to compete. The authorities it conveys can and should be used to help resolve outstanding trade disputes and strengthen the rules of international commerce. Moreover, it should be used as it was in the past -- to exercise U.S. leadership in trade.

American agriculture needs to be at the table for the 1999 agriculture talks in the World Trade Organization to continue the progress made in the Uruguay Round. In addition, we need to be active in upcoming bilateral negotiations with countries like Chile and for the regional Free Trade Agreement of the Americas and the Asia Pacific Economic Cooperation talks.

Very simply, fast track is critical to American agriculture being able to compete and prosper in the years ahead. That is why more than 60 agricultural organizations have committed themselves to work for fast track, and why we as former Secretaries of Agriculture support them in their effort.

We urge you to do what you can to assure prompt passage of this legislation.

Sincerely,

Orville Freeman
Secretary of Agriculture
Kennedy and Johnson Administrations

Clifford Hardin
Secretary of Agriculture
Nixon Administration

Earl L. Butz
Secretary of Agriculture
Nixon and Ford Administrations

Bob Bergland
Secretary of Agriculture
Carter Administration

John R. Block
Secretary of Agriculture
Reagan Administration

Richard E. Lyng
Secretary of Agriculture
Reagan Administration

Clayton Yeutter
Secretary of Agriculture
Bush Administration

Mike Espy
Secretary of Agriculture
Clinton Administration

cc: Senate Committee on Agriculture, Nutrition and Forestry
House Committee on Agriculture

Sue Williamson
(617) 496-1100



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

November 6, 1997

The Honorable Anna G. Eshoo
U.S. House of Representatives
308 Cannon House Office Building
Washington, D.C. 20515

SUBJECT: **Support for Fast-track Trade Negotiating Authority**

Dear Representative Eshoo:

As we approach the scheduled House vote on fast track trade negotiating authority, IDFA and the 650+ member companies we represent wish to emphasize how critical it is for you to vote in favor of fast-track renewal.

Improved access to foreign markets is key to our future prosperity, especially for the U.S. dairy industry. With U.S. farm policy shifting towards greater market orientation, our ability to compete in foreign markets plays a fundamental role in determining the strength or weakness of our agricultural sector. In light of the fact that 96% of the world's consumers live outside of the United States, and economic growth rates in developing nations far exceed those of developed nations, we cannot afford to neglect the opportunities posed by international trade.

Moreover, the urgency of fast-track renewal cannot be overstated. Preparations for a new round of WTO negotiations on agricultural trade have already begun. Regional trading arrangements in Latin America and Asia-Pacific, the two fastest-growing regions in the world, are being forged around us, without U.S. participation. While the rest of the world is busy concluding negotiations, we are still debating the authority for negotiations.

We cannot afford to wait any longer.

Please vote to renew fast track authority so U.S. trade negotiators can take the lead in improving market access for U.S. goods and services, including U.S. dairy products.

Sincerely,

Janet A. Nuzum
Vice President and Counsel

Bud Harezlak
2855 Cranston Road
Beloit, WI 53511

October 30, 1997

Congressman Mark Neumann
U.S. House of Representatives
415 CHOB
Washington, DC 20515

Dear Congressman Mark Neumann:

I am writing to you as a constituent to urge you to vote in favor of renewal of fast-track trade negotiating authority.

Approximately 96% of the world's consumers live outside the United States. Strengthening opportunities for U.S. products and services to be sold to these foreign consumers is critical for the economic prosperity of our country. The United States is already the world's largest exporting country. Fast track authority is needed to maintain this position, and expand our opportunities for the future.

It is critical that renewal of fast track authority, which expired in 1994, be accomplished this year. Other countries also recognize the benefits of increased trade, and are moving ahead forging new trade alliances without us. In Latin America and Asia alone, markets with the greatest potential for increased sales of U.S. products, 20 new trade agreements have been concluded in the last few years *without the United States as a participant*.

We cannot afford to wait any longer. Restoring trade negotiating authority is the only way to shape global trade rules to our advantage, retain our leadership role, and protect the interests of our economy, workers, consumers, and companies. Please vote in favor of legislation to renew fast-track negotiating authority. I look forward to hearing from you on this important issue.

Sincerely,

Bud Harezlak



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

FAX COVER SHEET

DATE: _____

TO: _____

FAX #: _____

FROM: _____

RE: _____

Sending _____ pages (including cover sheet) from fax number (202) 331-7820

MESSAGE: _____

FYI - We sent the attached letter to every
House Member today, and continue
to make calls.

Last week, at our "Worldwide Food Expo"
trade show, we generated over 100
letters from constituents who
came through our booth on the show floor.
A sample is attached.

We've sent fax alerts to our members
urging them to call/fax, too.

Janet

For more information or if you have a problem receiving this transmission, please call (202) 737-4332.

November 6, 1997

Dear Member of Congress:

I am writing to respond to your concerns regarding wheat imports from Canada and the non-transparent pricing practices of the Canadian Wheat Board. I take this opportunity to outline how the Administration will respond to this problem.

In August 1994, following a year in which wheat imports from Canada reached an all-time high, the Clinton Administration entered into the Memorandum of Understanding on Grains with Canada to limit durum imports to 300,000 metric tons (with an additional 150,000 metric tons allowed into the United States at a higher tariff level) and to limit imports of all other spring wheat to 1.05 million metric tons. The overall cap on shipments of wheat from Canada was 1.5 million metric tons.

When the MOU officially expired in September 1995, Ambassador Kantor assured you and other members of Congress that the Administration would continue to monitor imports and would hold consultations with the Canadians if imports looked as if they had the potential to reach disruptive levels. Ambassador Kantor further pledged that the Administration would not tolerate market disruption from imports of Canadian wheat and would use our trade laws if necessary. Ambassador Kantor also indicated the MOU limit would be used as a point of reference to determine whether market disruption had occurred.

I am writing to you to let you know that we reaffirm these commitments. In addition, we will respond forcefully in the event that Canada violates any of its international trade obligations to the disadvantage of our farmers.

To that end, the role of the Canadian Wheat Board as a state trading enterprise must be thoroughly evaluated, including whether its pricing practices fully comply with existing trading agreements between our countries which prohibit unfair price subsidies. In this regard, we will take the following actions:

- 1) We will request an annual audit of the Canadian Wheat Board consistent with the recommendations of the CFTA Chapter 18 Panel on Durum Wheat to obtain information about the pricing practices of the Board to determine if it is engaged in discriminatory pricing practices;
- 2) If it is determined that the CWB is selling in foreign markets at prices below domestic market prices or prices below their full costs of acquiring and delivering agriculture products to foreign markets (including any interim and final payments to producers), then we will seek negotiations with Canada to eliminate this practice. If negotiations fail, we will take action under and consistent with our trade laws to address any failure by Canada to comply with its international trade obligations. Concurrently, we will pursue relief under the dispute resolution provisions in our trade agreements.

- 3) Finally, it is our priority in the next round of international agriculture negotiations and in the negotiations on the Free Trade of the Americas to impose constraints and disciplines as well as price transparency on state trading enterprises. The pricing practices of state trading enterprises, such as the Canadian Wheat Board, can be trade distorting, and we will strive to eliminate such distortions. This can only be accomplished with fast track authority.

I am glad to have had the opportunity to present the Administration's plan for addressing Canadian grain trade issues, and I look forward to continuing to work closely with you on these important issues.



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

FAX COVER SHEET

DATE: 11/6/97
TO: Jay Berman
FAX #: 456 - 2464
FROM: Janet Nuzum, IDFA
RE: Fast track

Sending 3 pages (including cover sheet) from fax number (202) 331-7820

MESSAGE: FYI - We sent the attached letter to every
House Member today, and continue
to make calls.
Last week, at our "Worldwide Food Expo"
trade show, we generated over 100
letters from constituents who
came through our booth on the show floor.
A sample is attached.
We've sent fax alerts to our members
urging them to call/fax, too. Janet

For more information or if you have a problem receiving this transmission, please call (202) 737-4332.



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

November 6, 1997

The Honorable Anna G. Eshoo
U.S. House of Representatives
308 Cannon House Office Building
Washington, D.C. 20515

SUBJECT: **Support for Fast-track Trade Negotiating Authority**

Dear Representative Eshoo:

As we approach the scheduled House vote on fast track trade negotiating authority, IDFA and the 650+ member companies we represent wish to emphasize how critical it is for you to vote in favor of fast-track renewal.

Improved access to foreign markets is key to our future prosperity, especially for the U.S. dairy industry. With U.S. farm policy shifting towards greater market orientation, our ability to compete in foreign markets plays a fundamental role in determining the strength or weakness of our agricultural sector. In light of the fact that 96% of the world's consumers live outside of the United States, and economic growth rates in developing nations far exceed those of developed nations, we cannot afford to neglect the opportunities posed by international trade.

Moreover, the urgency of fast-track renewal cannot be overstated. Preparations for a new round of WTO negotiations on agricultural trade have already begun. Regional trading arrangements in Latin America and Asia-Pacific, the two fastest-growing regions in the world, are being forged *around us, without U.S. participation*. While the rest of the world is busy *concluding* negotiations, we are still debating the *authority* for negotiations.

We cannot afford to wait any longer.

Please vote to renew fast track authority so U.S. trade negotiators can take the lead in improving market access for U.S. goods and services, including U.S. dairy products.

Sincerely,

Janet A. Nuzum
Vice President and Counsel



NEWS

AMERICAN FARM BUREAU FEDERATION
600 Maryland Ave., SW • Suite 800 • Washington, DC 20024 • (202) 484-3800
225 Touhy Ave. • Park Ridge, IL 60068 • (312) 399-5850

Contacts: Don Lipton
202/484-3624
donl@fb.com

Mace Thornton
847/685-8755
macet@fb.com

Farm Bureau to Support Fast-Track Legislation

FOR IMMEDIATE RELEASE

WASHINGTON, October 7, 1997 -- The American Farm Bureau Federation board of directors decided today to support legislation authorizing fast-track trade negotiations.

"We are satisfied that both the administration and the key committees in Congress have improved the fast-track legislation by addressing specific concerns we have raised," said AFBF President Dean Kleckner. Those concerns, he said, include the need to reduce foreign competitors' tariffs and subsidies; to prevent barriers to biotechnology; to reform state-trading enterprises; to eliminate unjustified sanitary and phytosanitary restrictions; and to improve dispute settlement procedures, especially as they relate to perishable commodities.

"The legislation being considered by committees in both houses is not perfect but improvements have been made since its introduction and we will keep working with members of Congress to ensure they are aware of agriculture's concerns," Kleckner asserted.

(more)

Additional concerns discussed by the AFBF board before it voted to support fast-track authority centered on the proposed phase-out of the soil fumigant methyl bromide and the need for additional personnel for both the Foreign Agricultural Service and the Animal and Plant Health Inspection Service here and abroad to ensure that trade conflicts, mostly involving health standards, are resolved more quickly.

Kleckner said that agriculture's trade issues have been recognized in the pending fast-track legislation but emphasized that some current trade disputes are due to enforcement difficulties with existing agreements.

"Our trading partners are carefully watching this process and we must not allow our farmers and ranchers to again be subject to unfair practices that may result in adverse economic consequences," the farm leader said.

"Farm Bureau has always been a strong supporter of free trade. We are urging Congress to keep agriculture in mind as it considers fast-track so that we maintain our position as the world's largest agricultural exporter."

Sent to all members of the House Ways & Means Committee



AMERICAN FARM BUREAU FEDERATION®

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Internet: <http://www.fb.com/>

October 7, 1997

The Honorable Bill Archer
U.S. House of Representatives
1236 Longworth House Office Building
Washington, DC 20515-4307

Dear Congressman Archer:

On behalf of the 4.7 million member families of the American Farm Bureau Federation who depend upon world markets for their economic security, I urge you to support passage of fast track authority. The administration, with your consultation and guidance, must have the authority to renegotiate existing and create new trade agreements.

The future of U.S. agriculture is tied to competitiveness in global markets and the ability of the United States to maintain its leadership role in negotiating trade agreements. The value of agricultural exports has doubled between 1984 and 1996 and international markets consume about one-third of U.S. agricultural production. Trade agreements designed to reduce or eliminate barriers and trade distorting practices benefit American agriculture and the U.S. economy. With declining government programs, U.S. agriculture needs increased access to international markets.

Trade negotiating authority is critical to the U.S. in advancing trade liberalization and opening markets for all sectors. The proposed legislation contains specific objectives for agriculture which will strengthen the industry's position in dispute resolution and international trade which we expect will be maintained in the final fast track authorization.

Greater resources are needed by the Department of Agriculture (USDA) and the United States Trade Representative's (USTR) office to address enforcement and dispute resolution. We look for your help to secure adequate funding for both USDA and USTR to meet the rising demands of increased world trade.

The new time tables recently included in the Montreal Protocol to accelerate the ban on U.S. use of methyl bromide will be a great disadvantage to American agriculture. Banning the use of methyl bromide will take a critical export and production tool away from American farmers while continuing to allow its use by our competitors. Congress should ensure that fast track legislation doesn't allow the continuation of this inequity.

Farm Bureau looks forward to working with you to secure trade negotiating authority for this and future administrations that will lead to greater market opportunities for American agriculture.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean Kleckner". The signature is fluid and cursive, with the first name "Dean" written in a larger, more prominent script than the last name "Kleckner".

Dean Kleckner
President

DK:bs/mp
f:\stm\asttrak.o07

sent to all members of the House and Senate



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Internet: <http://www.fb.com/>

October 8, 1997

The Honorable Spencer Abraham
United States Senate
329 Dirksen Senate Office Building
Washington, DC 20510-2203

Dear Senator Abraham:

On behalf of the 4.7 million member families of the American Farm Bureau Federation who depend on world markets for their economic security, I urge you to support passage of fast track authority. The administration, with your consultation and guidance, must have the authority to renegotiate existing and create new trade agreements.

The future of U.S. agriculture is tied to competitiveness in global markets and the ability of the United States to maintain its leadership role negotiating trade agreements. The value of agricultural exports has doubled between 1984 and 1996 and international markets consume about one-third of U.S. agricultural production. Trade agreements designed to reduce or eliminate barriers and trade distorting practices benefit American agriculture and the U.S. economy. With declining government programs, U.S. agriculture needs increased access to international markets.

Trade negotiating authority is critical to the U.S. in advancing trade liberalization and opening markets for all sectors. The proposed legislation contains specific objectives for agriculture, which will strengthen the industry's position.

Farm Bureau looks forward to working with you to secure fast track trade negotiating authority for this and future administrations that will lead to greater market opportunities for American agriculture.

Sincerely,

Dean Kleckner
President

THE WHITE HOUSE
WASHINGTON

Date:

Pls call her

To:

From: Special Counselor for Fast Track

Com

*USTP
I.T.C.*

Janet Muzum

737-4332

X32

Heath

Glick

for daily statements

I D Foods A

Written Statement of

**NATIONAL MILK PRODUCERS FEDERATION
INTERNATIONAL DAIRY FOODS ASSOCIATION
U.S. DAIRY EXPORT COUNCIL**

**Before the Subcommittee on Trade
Committee on Ways and Means
U.s. House of Representatives**

**On Renewal of
Fast Track Trade Negotiating Authority**

September 30, 1997



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association



U.S. DAIRY EXPORT COUNCIL*

**Joint Statement of the
National Milk Producers Federation
International Dairy Foods Association
and U.S. Dairy Export Council
Supporting Fast Track Renewal**

The National Milk Producers Federation (NMPF), the International Dairy Foods Association (IDFA) and the U.S. Dairy Export Council (USDEC) are jointly submitting this statement in support of the renewal of fast track trade negotiating authority. Our organizations together represent U.S. producers, processors, manufacturers and exporters of a wide range of dairy products, including beverage milk and milk products, yogurt, sour cream, cheese, ice cream and frozen novelties, butter, milk powders and other dairy-based food ingredients.

NMPF's 31 member cooperatives, through their 70,000 dairy producer owners, market 70 percent of the milk produced in the United States. IDFA's members include more than 650 companies and organizations accounting for approximately 85 percent of the \$70 billion worth of dairy foods annually consumed in the United States. USDEC's members account for over 85 percent of the more than \$740 million of dairy products exported last year. Collectively members of these three organizations reside in all 50 states.

The reason we are supporting renewal of fast track trade negotiating authority is very simple -- the future growth and prosperity of the U.S. dairy industry largely depends on foreign market opportunities. Fast track authority provides the best vehicle for breaking down foreign trade barriers and negotiating market-opening agreements to benefit the U.S. dairy industry.

The fact that we are jointly submitting this statement is evidence of the broad consensus within the U.S. dairy industry over the importance of foreign market development, and the critical role of fast track in helping us achieve our goals.

Historically, the U.S. dairy industry has concentrated on the U.S. domestic market. That focus, however, is changing. New international trade rules in the World Trade Organization (WTO) coupled with greater market orientation in U.S. domestic dairy policy provide new incentives and opportunities for the dairy industry to supply international markets. U.S. dairy price supports will be eliminated at the end of 1999, and world market conditions will have a much greater influence on our profitability and sales opportunities. With 96% of the

Page 2 of 4

world's consumers living outside of our borders, the greatest prospects for our industry's growth and prosperity lie in international markets.

The United States is the largest single-country producer of dairy products in the world. Our industry is cost efficient and has the potential to be a major global supplier of dairy products. Due, however, to market barriers and extensive use of subsidies by some foreign competitors, the U.S. share of world dairy trade has been very limited. For example, the United States produces 27 percent of the world's cheese, but accounts for only 3 percent of world cheese exports. The European Union, on the other hand, a heavy subsidizer of dairy products, accounts for 47 percent of world cheese production but 57 percent of world cheese exports.

The GATT Uruguay Round Agreements were an historic first step toward free and open trade in agriculture on a multilateral basis. Export subsidies by WTO members, a significant impediment to the international competitiveness of U.S. dairy products, are now subject to maximum caps and annual reductions. Minimum import access commitments also represent progress in opening markets to agricultural trade. These changes, albeit modest in size, are an extremely important discipline on international behavior, and must be rigorously implemented and enforced.

We cannot tolerate the efforts of certain WTO members, such as the European Union and Canada, to sustain protection to their dairy industries in circumvention of their WTO obligations. The European Union is skirting around its limits on export subsidies for processed cheese through creative allocation methods under an inward processing program. Canada's recent conversion to a price-pooling export subsidy scheme is clearly designed to maintain export subsidies without regard to the limits and reductions required under the WTO. The Clinton Administration shares our concern over these practices, and we appreciate its commitment to take forceful action to ensure full enforcement of existing WTO obligations.

Although the Uruguay Round Agreements represent an important step forward, it did not eliminate all inequities in world trading conditions or every barrier to dairy trade. Much more remains to be done to improve world trade opportunities in the dairy sector. That is why renewal of fast track authority is so important.

Page 3 of 4

The next stage of WTO negotiations on agricultural trade rules will begin in late 1999. Prompt renewal of fast track authority is imperative if U.S. trade negotiators are to participate in any meaningful way in the upcoming multilateral negotiations. Continuing the multilateral reforms in agricultural trade is critical, and requires strong, bold leadership by the United States. This can only come about, however, if U.S. negotiators have the authority and mandate which comes from fast track.

Moreover, improved access to growing regional markets requires fast track authority. Since fast track negotiating authority lapsed in 1994, the United States has been virtually on the sidelines as bilateral and regional trade agreements were negotiated among trading partners in Latin America and Asia. With rapidly growing populations, rising incomes, and increasing popularity of western-style foods, these regions provide the greatest opportunities for expanded exports of U.S. dairy products. In the past five years, however, more than 20 new trade agreements have been concluded *without U.S. participation* in Latin America and Asia. Important opportunities for U.S. exporters are being missed due largely to lack of fast track authority.

We also have unfinished business on opening markets for dairy trade in North America. Although Mexico opened up new opportunities for U.S. dairy exports, Canada continues to block access to its dairy market through exorbitant tariffs. We must continue to seek ways to remove impediments to U.S.-Canada dairy trade. The geographic proximity of our markets and of our dairy industries makes free and open dairy trade a logical objective.

Our organizations understand that we will not achieve our international trade goals by renewal of fast track authority alone. Strong leadership by our trade negotiators will be needed to ensure that trade agreements result in meaningful, tangible benefits to the U.S. dairy industry. Trading partners reluctant to open up their dairy markets at home must not be allowed to keep dairy "off the table." Subsidies must be attacked in whatever form they appear, and market access must be substantially improved. Moreover, once trade negotiations are concluded and agreements are signed, they must be vigorously implemented and enforced.

Much work lies ahead if international market opportunities for U.S. dairy products are truly to be improved. But none of it is possible unless Congress renews fast track trade negotiating authority. President Clinton's legislative proposal would renew fast track authority until 2005 and includes significant improvements to the notification and consultation procedures, thus ensuring continuing dialogue with

Page 4 of 4

the Congress and the private sector. We also applaud the President's recognition of the importance of agricultural trade liberalization in the specific identification of agricultural trade negotiating objectives.

NMPF, IDFA, and USDEC urge the Congress to work constructively with the President to swiftly enact fast track negotiating authority, so that the United States can improve opportunities for the U.S. dairy industry to grow and prosper as an active, competitive supplier to international markets.

only 30 percent. That period also saw a contraction of 85 percent in farms producing eggs, 40 percent in cattle feeding operations and 35 percent in broiler operations. It also details the shifts in hog production into the Southeast, milk production to the West and cattle feeding from the Corn Belt to the Great Plains despite relative feed cost disadvantages.

Perhaps most significant are the conclusions that "economic incentives for continued structural change in livestock production appear to be significant" and that "forces outside of agriculture are likely to have an increasingly important role in determining the direction of change." The big one, of course, is what author William D. McBride calls the concern about how higher concentration of animal waste affects the environment -- emphasized this month by North Carolina's legislative moratorium on new hog confinement operations and a warning by Maryland's governor in the wake of massive fish kills in Chesapeake Bay rivers that poultry farmers can expect tighter regulation.

"Industrialization" of the pork industry may mean lower prices and higher quality pork because of lower production costs, more efficient processing and greater control over hog quality, says another report analyzing pork industry changes. *Vertical Coordination and Consumer Welfare* suggests future consolidation and vertical coordination may be altered not only by environmental worries but also by concerns about market power. Author Steve W. Martinez and his colleagues describe in detail how supply and quality needs create pressure for contracting and integration and how legislative decisions could influence the trend.

Rounding out this reading list is last June's report suggesting the food chain "may be increasingly dominated by firms exercising control over several stages of food production." *From Farmers to Consumers* says greater contract production and vertical integration across agriculture is due to more discriminating buyers and new technology. Demographic change and demand for convenience also contribute. ERS suggests the trend will see more defined raw commodities, such as chicken of specific weight and size or corn with specific protein content. Although farmers relinquish some control over decision-making in many contract arrangements, they are compensated through quality premiums and reduced uncertainty.

The three reports, available from ERS-NASS Publications at (800) 999-6779, are:
Vertical Coordination and Consumer Welfare: The Case of the Pork Industry, AER-753, August 1997
Change in U.S. Livestock Production, 1969-92, AER-754, August 1997.
From Farmers to Consumers: Vertical Coordination in the Food Industry, AIB-720, June 1996

Fissure in Farm Front: Food, Agriculture Not United on Fast Track

Even as a coalition of 11 producer groups and 28 agribusiness firms and associations gathered here to support a White House bid to renew fast-track trade negotiating authority, cracks appeared in what is normally a united front of mainstream agriculture. Support was most enthusiastic from Farmland Industries, the National Pork Producers Council, National Cattlemen's Beef Association, American Soybean Association and National Corn Growers Association. But distinguished by their absence from a table where they usually have a prominent place were the American Farm Bureau Federation, National Council of Farmer Cooperatives, American Sugar Alliance and the National Association of Wheat Growers.

Perhaps even more significant, from a political standpoint, is lack of support by most farm groups in California -- many of whom are traditional backers of and beneficiaries from expanded trade -- and Florida fruit and vegetable producers. The stance of the two states' agricultural sectors could be pivotal to the congressional decision; the two elect nearly one of

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Hearing Scheduled on USDA Bid for Meat Recall Authority

The Senate Agriculture Committee will hear testimony Oct. 7 on USDA's request for authority to order recalls of tainted meat. Chairman Richard Lugar, R-Ind., expressed initial skepticism but is believed to have an open mind. USDA submitted a draft bill to require meat recalls and give it authority to impose fines up to \$100,000 per day per violation.

every six members of the House -- California 52 and Florida 23 of 435. Florida's opposition is outright -- derived from competition by vegetables from Mexico and fear of increased imports of orange juice concentrate from Brazil -- the California position and that of the American Farm Bureau are regarded as tactical. Part appears designed to apply pressure to keep labor and environmental standards out of trade talks, part to seek redress of existing trade complaints.

A new California Agriculture Industry Coalition, consisting of 27 farm groups and cooperatives, said it would withhold support of new trade agreements until existing disputes were resolved. Farm Bureau seeks specific commitments for tariff equalization, increased market access, resolving sanitary and phytosanitary disputes on the basis of sound science and improving dispute resolution procedures. Other major trade developments this month:

Dairy Complaint Against Canada: A united U.S. dairy industry filed a petition challenging Canada's dairy export pricing. National Milk Producers Federation, International Dairy Foods Association and U.S. Dairy Export Council asked the U.S. Trade Representative to take the complaint to the World Trade Organization. USTR has 45 days to respond to the petition but it's likely to agree. WTO procedures would force a decision by mid-1998. The three organizations say Canada is using its export price pooling scheme to exceed export subsidy limits it had agreed to accept. The lower export price is like a plan advanced unsuccessfully by U.S. dairy co-ops in the past and NMPP's Ed Coughlin said the idea would come up again in Washington if the WTO challenge should fail to make the Canadian plan illegal.

Mexican Sugar, Apple Tariffs Face Challenges: USTR has requested WTO consultations about Mexico's anti-dumping investigation of U.S. high fructose corn syrup (HFCS) because they "appear inconsistent with its obligations under the WTO agreement." Mexico's sugar industry filed a petition against imports of U.S. corn sweetener in January and the government imposed provision tariffs in June. Chairman Bob Smith, R-Ore., of the House Agriculture Committee is protesting Mexico's 101.1% import duty on U.S. apples. With \$40 million in sales last year, Mexico is the leading market for U.S. apples.

A Challenge to EU Rule: The administration appears deadly serious in its opposition to a European Union rule that would ban imports of beef tallow and its derivatives beginning in January 1998 in an attempt to prevent the spread of bovine spongiform encephalopathy (BSE). The United States insists it be exempt from the ban because BSE has never been found in U.S. cattle. U.S. exports of tallow amount to more than \$100 million a year but products made from tallow -- cosmetics, soap and pharmaceuticals -- run into the billions of dollars. U.S. officials argue that the ban would be struck down under WTO rules because it has no scientific basis.

Washington Business Information Inc., 1117 N. 19th St., Suite 200, Arlington VA 22209 703/247-3434 Fax 703/247-3421

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

- P1** National Security Classified Information [(a)(1) of the PRA]
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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]
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William G. Simpson

(b)(6)

[001]

John Patrick Smirnow
National Grain Trade Council

(b)(6)

Kirk C. Ferrell
National Pork Producers Council

Randall T. Jones
National Council of Farmer Co-ops

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Blue Diamond Growers

David Ray Graves
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Charles A. Nelson
Bunge Corporation

James Albert McCarthy
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Ralston Purina International

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International Dairy Foods Assoc.

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National Cattlemen's Beef Assoc.

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October 21, 1997

MEMORANDUM FOR SECRETARY GLICKMAN

JAY BERMAN
PETER SCHEER

FROM: BARBARA WOOLLEY

SUBJECT: BRIEFING WITH AGRICULTURE GROUPS - FAST TRACK

DATE/TIME: Wednesday, October 22, 1997
8:30 am - 9:30 am

LOCATION: Indian Treaty Room, OEOB

PURPOSE: To thank them for their support on Fast Track, provide update on the current climate, and energize groups as they proceed to a Press Conference on the Hill and meetings with Members of Congress.

BACKGROUND: You will be briefing 100 representatives, 70 from across the U.S. and 30 from D.C., of our most active groups supporting Fast Track. The most recent additions to this group are the Farm Bureau and US Beet Sugar. This group will then proceed to the Hill for a Press Conference at 11:00 am with Chairman Smith moderating, Charles Stenholm, Bill Barrett, Calvin Dooley, Bob Matsui, Marion Berry, and John Tanner.

SEQUENCE OF
EVENTS

- * Jay Berman welcomes and provides update on where we are and legislative, acknowledge Representative Calvin Dooley (D-CA) and Representative Marion Berry (D-AR) and introduce Secretary Dan Glickman.
- * Secretary Glickman makes brief remarks, acknowledges USDA senior officials and introduces Peter Scheer.
- * Peter Scheer makes brief remarks and opens discussion up for Q & A.

PARTICIPANTS: 100 Attendees (See List Attached.)

ATTACHMENTS: List of Participants.
List of Supportive Groups for Fast Track.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. memo	Briefing with Agriculture Groups-Fast Track; RE: Personally Identifiable Information [partial] (7 pages)	10/21/1997	b(6)

COLLECTION:

Clinton Presidential Records
Policy Development
Jason Berman
OA/Box Number: 10604

FOLDER TITLE:

American Agriculture for Fast Track [binder] [1]

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RESTRICTION CODES

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

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William G. Simpson

(b)(6)

[002]

John Patrick Smirnow
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Ross Wilson
National Cattlemen's Beef Assoc.

(b)(6)

Kathy Wood
National Cattlemen's Beef Assoc.

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Additional Attendees

Bruce Carlson
Cargill

(b)(6)

Elizabeth Hasiak
Cargill

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Don A. Lamker
Cargill

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Micheal Mullins
Cargill

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Tonya Pope
Cargill

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Bonnie Raquet
Cargill

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Linda K. Thrasher
Cargill

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Katie Franz
Cargill

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Ford West
The Fertilizer Institute

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Alan Tank
National Pork Producers Council

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International Dairy Foods Assoc.

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William R. Sprague
American Farm Bureau - KY

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Timothy A. Cansler
American Farm Bureau

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Agriculture Coalition for Fast-Track*As of October 21, 1997*

Agricultural Retailers Association
American Crop Protection Association
American Farm Bureau Federation
American Feed Industry Association
American Frozen Food Institute
American Horse Council
American Meat Institute
American Soybean Association
Animal Health Institute
Biotechnology Industry Organization
Blue Diamond Growers
Bunge Corporation
Cargill, Inc.
Cerestar USA
Central Soya Company Inc.
Chocolate Manufacturers Association
Coalition for a Competitive Food and Agricultural System
ConAgra, Inc.
Continental Grain Company
Corn Refiners Association, Inc.
Distilled Spirits Council
Farmland Industries, Inc.
The Fertilizer Institute
Food Distributors International
General Mills, Inc.
Grocery Manufacturers of America
International Dairy Foods Association
Louis Dreyfus Corporation
Miller's National Federation
National Association of Animal Breeders
National Broiler Council
National Cattleman's Beef Association
National Confectioners Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Food Processors Association
National Dry Bean Council
National Grange
National Grain and Feed Association
National Grain Sorghum Producers
National Grain Trade Council
National Milk Producers Federation
National Pork Producers Council

National Oilseed Processors Association
National Sunflower Association
National Turkey Federation
Nestle USA, Inc.
North American Export Grain Association
Northwest Horticultural Council
Pacific Northwest Grain and Feed Association
Ralston Purina Company
Snack Foods Association
United Egg Association
United Egg Producers
U.S. Apple Association
U.S. Dairy Export Council
U.S. Feed Grains Council
U.S. Meat Export Federation
U.S. Wheat Associates, Inc.
USA Poultry & Egg Export Council
USA Rice Federation

Total: 62

AG For Fast-Track Day
October 22, 1997
Attendees for White House
Briefing



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

FAX COVER SHEET

DATE: September 30, 1997
TO: Jane VenKarel
FAX #: 456-2464
FROM: Heather Glick
RE: IDFA supports Fast-Track Renewal

Sending (5) pages (including cover sheet) from fax number (202) 331-7820

MESSAGE: Jane-
Attached is the information you requested -
Janet Nuzum's Bio and IDFA's statement
in support of the Renewal of Fast Track.
I've also attached a copy of a recent IDFA
press release which I thought may be of
some interest to you. If there's anything
else you need, please let me know.
Heather

For more information or if you have a problem receiving this transmission, please call (202) 737-4332.



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

IDFA Urges Renewal of Fast Track Negotiating Authority

The International Dairy Foods Association (IDFA) is the leading U.S. dairy processor trade association representing more than 650 companies and organizations involved in the processing, manufacture, and marketing of dairy products. As an umbrella organization, IDFA is comprised of three constituent associations -- the Milk Industry Foundation, the National Cheese Institute, and the International Ice Cream Association. IDFA member companies include a wide range of enterprises, from multinational corporations to small family businesses, proprietary firms to farmer cooperatives. They have more than 730 dairy-related facilities in 48 states across the United States. IDFA members account for approximately 85% of the \$70 billion worth of dairy foods, including milk, milk products, yogurt, sour cream, cheese, ice cream and frozen novelties, consumed in the United States.

The U.S. dairy industry produces high-quality, affordable, and safe dairy products for consumers, food service providers, and food manufacturers. New trade rules achieved in the GATT Uruguay Round as well as U.S. farm policy changes embodied in the 1996 FAIR Act, have given the U.S. dairy industry both the opportunity and incentive to engage more actively in international markets. U.S. dairy exports now exceed \$740 million annually. Much more needs to be done, however, before international opportunities for the dairy sector are truly open and fair. With improved access to foreign markets, the U.S. dairy industry is well positioned to be a leading competitor in world dairy trade.

Reasons Why Fast-Track Renewal is Important

IDFA strongly supports renewal of fast track negotiating authority, in order to continue making progress in eliminating existing trade barriers and preventing new ones from emerging in international markets for U.S. dairy products.

Renewal of fast-track authority is critical for the United States to play a leadership role, which it must, in the upcoming WTO negotiations on agriculture, scheduled to begin in 1999. We cannot afford to allow the European Union, which has captured substantial shares of world dairy trade through subsidies (for example, 57% of world cheese trade, as compared to the U.S. share of 3%), to dominate these negotiations. The only way we can assure improved access for U.S. dairy products is to be a forceful leader at the negotiating table. ***That requires fast track.***

In important regional markets around the world, U.S. opportunities are being lost as other countries move forward, forging trade arrangements that exclude, and even disadvantage, the U.S. Many of these markets, particularly in Latin America and Asia, have the fastest growing incomes and population growth, where opportunities for expanded sales of dairy products are greatest. It is imperative that opportunities for the U.S. dairy industry to expand sales and market share in these emerging markets not be bypassed and captured by our foreign competitors. ***We must arm U.S. negotiators with fast track authority so they can make sure that dairy markets around the world are open for the benefit of U.S. dairy producers, processors, and foreign consumers.***

For more information, contact: Janet A. Nuzum, Vice President and Counsel



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

NEWS RELEASE

For Immediate Release

Contact: Janet Nuzum
or Susan Ruland
(202) 737-4332

IDFA Urges Renewal of Fast Track Negotiating Authority

(Washington, D.C. - Sept. 10, 1997) Congress must renew fast-track authority if it wants the United States to have a strong role in international trade talks, and if it wants U.S. agricultural product export to continue to grow, the leading U.S. dairy processor trade association stated today.

"The U.S. dairy industry has a large stake in the ability to open foreign markets to U.S. dairy products and reduce trade-distorting subsidy practices around the globe. It is imperative that the United States play a leadership role in forging international trade rules, especially in the upcoming WTO negotiations on agriculture, scheduled to begin in 1999," said Janet Nuzum, Vice President and Counsel of The International Dairy Foods Association (IDFA). "U.S. trade negotiators must have the support of fast-track in order to continue making progress in eliminating existing trade barriers -- and to prevent new ones from emerging in international markets for U.S. products."

IDFA reiterated its support for fast-track today along with other members of a broad coalition of agriculture groups. President Clinton will kick-off his campaign for fast track authority later today.

Nuzum noted that without fast-track authority, the United States will hold a weaker presence at the upcoming WTO talks, which would allow the European Union to dominate these and other negotiations. The European Union has already captured substantial shares of world dairy trade through subsidies. For example, it currently holds 57% of world cheese trade, while the U.S. share is only 3%, due largely to Europe's subsidy programs.

"The only way we can assure improved access for U.S. dairy products is to be a dominant force at the negotiating table," Nuzum said. "That requires fast-track authority."

Page 2

U.S. dairy exports now exceed \$740 million annually, but Nuzum says that number could be much, much greater if there were fewer barriers to trade. "With improved access to foreign markets, the U.S. dairy industry is well positioned to be a leading competitor in world dairy trade. New trade rules achieved in the GATT Uruguay Round, as well as U.S. farm policy changes embodied in the 1996 FAIR Act, have given the U.S. dairy industry the opportunity and incentive to engage more actively in international markets," she said. "Much more needs to be done, however, before international opportunities for the dairy sector are truly open and fair."

In important regional markets around the world, U.S. opportunities are being lost as other countries move forward, forging trade arrangements that exclude, and even disadvantage, the United States, Nuzum said. Many of these markets, particularly in Latin America and Asia, have the fastest growing incomes and population growth, where opportunities for expanded sales of dairy products are greatest.

"We must arm U.S. negotiators with fast track authority so they can make sure that dairy markets around the world are open for the benefit of U.S. dairy producers, processors, and foreign consumers," she said.

###

The International Dairy Foods Association is the Washington, DC-based organization representing the nation's dairy processing and manufacturing industries. The IDFA is composed of three constituent organizations: Milk Industry Foundation (MIF), National Cheese Institute (NCI) and International Ice Cream Association (IICA). Activities range from legislative and regulatory advocacy to market research, education and training. MIF has 205 member companies that process 85 percent of the fluid milk and fluid milk products consumed nationwide; NCI has 95 member companies that manufacture 80 percent of the cheese consumed in the U.S.; and IICA has 170 member companies that manufacture and distribute an estimated 85 percent of the ice cream and ice cream-related products consumed in the United States. IDFA also provides management services for the American Butter Institute (ABI), which has 35 member firms.

**STATEMENT OF
THE AMERICAN FARM BUREAU FEDERATION
TO THE
TRADE SUBCOMMITTEE
HOUSE WAYS AND MEANS COMMITTEE
REGARDING
AGRICULTURAL TRADE**

Presented by

**Bob Vice
President
California Farm Bureau**

September 30, 1997

Mr. Chairman and members of the Committee, I am Bob Vice, president of the California Farm Bureau. I am here today representing the American Farm Bureau Federation as well as the California Farm Bureau. I want to thank you for this opportunity to testify concerning fast-track and its impact on agriculture. The American Farm Bureau represents 4.7 million member families in the United States and Puerto Rico. Our members produce every type of farm commodity grown in America and depend upon export markets for over one-third of our production.

Higher living standards around the world depend upon mutually beneficial trade among nations. As living standards rise, the demand for our high quality products grows. The transition to higher living standards depends on trade agreements that protect each nation's ability to exchange goods and services freely in an open market atmosphere with minimum disruption. Our members agree that free trade is the ultimate goal. However, there are disputes with many of our trading partners that need to be addressed as the administration moves forward in negotiating new treaties to further expand market access.

Farm Bureau is pleased that President Clinton has proposed the Export Expansion and Reciprocal Trade Agreement Act of 1997, especially with the specific language for agriculture.

We must keep in mind that the President's proposal is not a treaty or trade agreement but an authorizing document. This legislation enables this administration and the next to negotiate trade agreements in consultation with Congress.

The administration's ability to negotiate good agreements is critical to opening doors for U.S. trade. Of the 30 regional and bilateral agreements completed over the past four years, the United States is only a signatory to one. Other countries are forging ahead while the administration has not had the authority to negotiate new or renegotiate existing trade agreements.

Farm Bureau urged the administration to include three issues in its proposal and we are pleased that each of these has been addressed. However, the language does not fully encompass the concerns we expressed and we have been very pleased with the response we have had from the administration and members of this committee to broaden and further define these points.

Our first concern was addressed with the following language: "The principal negotiating objectives of the United States regarding trade barriers and other trade distortions are to expand competitive market opportunities for United States exports and obtain fairer and more open conditions of trade by reducing or eliminating tariff and non-tariff barriers and policies and practices of foreign governments directly related to trade that decrease market opportunities for United States exports or distort United States trade." We strongly support this language as well as the similar language under the section on agriculture.

However, we ask that you go one step further as you refine the administration proposal by including that tariffs be eliminated within a "specified time frame." We must put our trading partners on notice, at the time this bill is passed by Congress, that the United States is serious about reaching zero tariffs. This language would provide assurance to agriculture that the administration is serious about negotiating away tariffs and tariff inequities such as those currently imposed on U.S. dairy and poultry products by Canada.

Farm Bureau's second concern is that all future negotiations bind our trading partners to resolving sanitary and phytosanitary issues on the basis of sound science, or by using recognized scientific principles as laid out in the Uruguay Round agreement for agriculture. The term "unjustified" is too vague and unfocused.

With the removal of tariff barriers we have experienced growing market disruptions based on health and safety claims that cannot be justified on scientific principles. The Europeans, China, Russia and many other countries are expert at this. We need to be blunt with our trading partners. All sanitary and phytosanitary barriers to trade must be based on sound scientific principles, and our trading partners should expect that we will respond immediately when barriers are raised.

The third issue is directly related to this and was addressed in the overall negotiating objectives with the following language: "To further strengthen the system of international trading disciplines and procedures including dispute settlement."

Now that several major cases have gone through both the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT) dispute settlement processes, we know the basic dispute resolution systems are good systems, but are not designed to respond quickly to disputes over perishable products.

We market many perishable products that encompass a broad range of growing and harvesting seasons and processing methods. The dispute settlement system is basically well designed but must be made more effective and time sensitive to meet the needs of perishable commodities.

We are delighted that other issues such as intellectual property rights, transparency and state trading have been addressed, as well as the broad range of agricultural issues.

Farm Bureau is very concerned with the extent of labor and environmental issues included in this trade proposal. We believe these issues are best addressed in their respective international bodies and not through the World Trade Organization. The WTO was not designed to address these issues nor does it have the resources to do so. The Office of the United States Trade Representative was not created to resolve labor and environmental debates. USTR's resources are needed to address the growing number of trade issues facing U.S. industries around the world.

Mr. Chairman, the U.S. market is already open. Others are not. The United States is the most open major market in the world. We must work together toward continuing to open our competitors' markets. To do this we must have the strongest trade agreements possible. Agreements must not jeopardize our industry for social issues but must move us forward in the global marketplace. The administration must have the authority guided by sound trade objectives and principles to negotiate and bring to Congress trade agreements that will benefit agriculture and the nation.

International trade can and does create significant markets for U.S. agricultural commodities. Agreements must ensure that trade is both free and fair for all products. We need to continue to monitor and enforce these accords to make sure the benefits promised to farmers and ranchers are fully realized and move forward in creating new and stronger markets for all U.S. industries. For this to be accomplished, Congress must be willing to commit necessary resources to agencies responsible for monitoring international trading disciplines and procedures.

Attached to this testimony are a few specifics on why this is so critical to the nation.

Mr. Chairman, our current trade agreements have been basically good for agriculture but adjustments are needed for some sectors. Negotiating and modifying existing trade agreements and establishing new agreements is critical to the competitiveness of U.S. agriculture. In order to do this the President must have the authority to go forward and negotiate with our trading partners. Without this authority our trading partners will not take our negotiators seriously and America's leadership role in the international trade arena will be greatly diminished.

Thank you for holding this hearing and we look forward to working with you on this important issue.

ATTACHMENT

The ability to expand existing markets and open new markets will dictate the future of our industry and the well-being of the nation. I have included some points why trade and good trade agreements are critical to agriculture.

The well-being of US agriculture is tied to competitiveness in global markets. U.S. agricultural exports have more than doubled from \$29 billion in 1984 to \$60 billion in 1996. Much of this growth has been attributed to efforts to open markets through trade agreements and multilateral trade negotiations, increasing per capita income in the rest of the world, production shortfalls in key regions, a weaker U.S. dollar and greater exports of value-added products. To guarantee the continuation of this trend, market expansion must be allowed to continue.

Good trade agreements are critical to opening markets. The rapidly expanding global economy presents enormous opportunities for farm families and agribusinesses. In a world where over 95 percent of the world's consumers live outside of the United States, and where U.S. agriculture already depends on exports for one third of all sales, we must have new and expanded markets.

Commercial competitiveness is critical to our position of global leadership. Europe, Canada, China, Japan and others are forging preferential commercial alliances with emerging markets, which put American exports at a disadvantage. Those trade alliances also play a vital role in defining strategic relationships between countries and regions.

Exports create American jobs. Today, more than 11 million American jobs are supported by exports, including one in every five manufacturing jobs - good jobs, paying 13-16 percent more than non-trade related jobs. Over the last four years, one quarter of our economic growth came from trade -- exports created 1.4 million new jobs. Agriculture depends on exports for one-third of all sales. If we are to raise our standard of living, we must continue creating jobs through exports.

Agriculture: The next round of talks in the World Trade Organization are to begin in 1999. American agriculture must be in position to lead the renegotiation of the Uruguay Round General Agreement on Tariffs and Trade for agriculture. Some issues of importance in this round include: increased market access; resolution of state trading issues; greater transparency between trading partners; greater adherence to sound science in resolving sanitary and phytosanitary issues; rules of origin; export subsidies; internal support schemes disguised as environmental payments; clearly defined trade in genetically modified organisms and an overall trade in products of biotechnology based on sound science. Negotiations to cut trade barriers in the \$526 billion global agriculture market will define the structure of American agriculture for the next decade.

Global negotiations will address other key areas such as intellectual property rights, customs and government procurement rules which will not only affect agriculture, but also the overall soundness of our economy.

Sectoral Agreements: Negotiating authority would be used to negotiate industry sectors where the U.S. is most competitive. Barriers must be reduced in areas like environmental technology, biotechnology, medical equipment and computer software, areas where America leads the world.

Regional Trade Agreements: Continuing regional initiatives presents vast opportunities, and keeps the U.S. on a competitive basis with our neighbors and trading partners who, in some cases, have moved forward with agreements that would be disadvantageous to the U.S.

Latin America and the Caribbean: This area was the fastest growing market for U.S. exports in 1996. If trends continue, Latin America and the Caribbean will exceed the EU as a destination for U.S. exports by 2000 and exceed Japan and the EU combined by 2010.

Asia: Contains the fastest growing economies in the world, with nearly 3 billion people. Independent forecasters put 1996 GDP for the region at \$2.8 trillion and expect real growth of 6 to 7 percent annually for the next 15 years.

Other countries are breaking down barriers for their producers. Since 1992, our competitors have negotiated 30 regional trade pacts without us. In every region of the world, this process continues. MERCOSUR is a developing customs union with ambitions to expand to all of South America; the EU has begun a process to reach free trade with MERCOSUR; China's "strategic priorities" include Mexico, Argentina, Brazil, Chile, and Venezuela; Japan has undertaken high-level efforts in Asia and Latin America. Canada has reached a trade agreement with Chile that will provide an 11 percent tariff reduction on Canadian products. Every time an American company competes to sell to Chile, it will face an immediate 11 percent disadvantage. Canada also negotiated to exempt its supply managed dairy and poultry sectors from the agreement, allowing it to at any time in the future impose tariffs similar to those keeping U.S. dairy and poultry products out. This sets a very bad precedent for Canada to use during the 1999 WTO negotiations for exempting sectors of the industry.

**FAST TRACK BRIEFING FOR HIGH-TECH COMMUNITY
DEPUTY CHIEF OF STAFF PODESTA**

DATE: September 29, 1997
TIME: 3:00 p.m.
LOCATION: IBM Conference Room
1301 K Street, 11th Floor, West Tower
FROM: Peter O'Keefe and Peter Rundlet

I. PURPOSE:

To demonstrate the Administration's commitment to securing fast track authority this year and to ensure that key leaders in the high tech community are well-briefed on the President's bill while underscoring the importance of their active support.

II. BACKGROUND:

You will join Jay Berman in giving a briefing to approximately 35 representatives from the high-tech community on the Administration's position on fast track. It is not necessary for you to give a detailed briefing on the legislative status of fast track -- Jay will do that. It is your appearance at the meeting that counts.

You should underscore the importance that the President attaches to securing fast track authority and the vital role high-tech companies can play in helping marshal support for the bill.

You can expect the group to be generally supportive of fast track, but you should emphasize that the fast track debate this fall will be extremely tough. There are powerful voices allied against this measure which every President since 1974 has had. We will be doing everything we can to continue opening markets for American goods. The American high-tech industry has an enormous stake in whether fast track authority is renewed this fall. American exports of information technology are already more than double our exports of autos and auto parts and nearly quadruple our exports of aircraft. This sector is projected to grow by 250% worldwide over the next decade. (See attachment on Fast Track and IT Industries for more information).

You may want to mention that if we want to increase the scope of coverage of the ITA, or address non-tariff barriers, we have to have fast track.

You should also be prepared to address briefly the status of two other issues that may be of concern to this group: (1) Super Computer Exports and (2) Encryption Policy. Talking points and more extensive background papers are attached to this memo, in case these areas are raised.

III. PARTICIPANTS:

Chris Caine - Director of Government Relations for IBM

Jay Berman
Al From
Representative Bob Matsui (D-CA)
Representative Ellen Tauscher (D-CA)
Representative Cal Dooley (D-CA) (Tentative)

IV. SEQUENCE OF EVENTS

Chris Caine will make opening remarks and introduce you.

You will make remarks and then let Jay Berman offer a legislative overview.

You and Jay will take questions and depart.

V. PRESS COVERAGE:

None

VI. ATTACHMENTS

Brief Talking Points on Fast Track, Super Computers, and Encryption Policy
Extensive Talking Points on Fast Track and Information Technology Industries
Background and Talking Points on High Performance Computer Export Controls
Background and Talking Points on Encryption Policy

VII. LIST OF CONFIRMED ATTENDEES

Confirmed attendees, as of 1:15 p.m., include:

Julie Inman	Microsoft
Dave Calibrese	EIA
Megan Rainey	ITI
Mary Ann Burrell	Motorola
Ron Pump	AT&T
Ray Garcia	Rockwell
Bill Maxwell	Hewlett-Packard
Liz Schwartz	Boeing
Sy Lazarus	AOL
Ted Heydinger	Dell
Mike Maibach	Intel
Tom Patton	Philips
Lisa Wilson	Texas Instruments
Mike Farren	Xerox



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September 22, 1997

The Honorable Jason Berman
Special Counselor to the President
The White House
Washington, DC 20500

Dear Counselor Berman:

The future of U.S. agriculture is tied to competitiveness in global markets and the ability of the United States to maintain its leadership role in trade negotiations. The value of agricultural exports has doubled between 1984 and 1996 and international markets consume over one-third of U.S. agricultural production. Trade agreements designed to reduce or eliminate barriers and trade distorting practices have been good for most sectors of American agriculture and for the U.S. economy. With declining government support of U.S. agriculture, increased access to international markets is crucial to the future growth and prosperity of the U.S. agricultural economy.

The agricultural industry recognizes that trade negotiating authority is critical to the U.S. role as a credible leader in advancing trade liberalization and opening markets for all sectors. Industry support for this authority is dependent upon several premises including that the proposed legislation not contain language that would allow environmental, labor or other social issues to become trade barriers. In addition there are areas to be addressed to help create and guarantee more open, equitable and reciprocal market access for U.S. agricultural products.

All trade negotiations, regional, bilateral or multilateral, must include agriculture as part of overall market liberalization. Inclusion of all sectors of the agricultural industry is necessary to ensure equal and complete coverage in agreements. Inclusion of agriculture guarantees producers and agribusinesses a fair and equitable place at the negotiating table and protects the intent and spirit of the WTO rules of free trade.

Significant non-tariff barriers remain in place in many regions, particularly in the form of state-owned or sponsored monopolies that limit or distort market access in other markets while, in many cases undervaluing imported commodities competing in the U.S. marketplace. Reform of these exporting and importing state trading enterprises in agricultural markets is a vital trade interest to the United States and its agricultural producers.

With agriculture dependent upon market liberalization for economic stability, it is critical that all future trade negotiations provide market opening guarantees. The authority to negotiate trade



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agreements should provide the following negotiating objectives as guidelines for all agriculture agreements:

Agriculture must be a full participant in any pluralateral, bilateral or multilateral negotiation. Negotiations on agriculture must move forward in tandem with other trade sectors in any renewed or new trade negotiations;

Any bilateral, pluralateral or multilateral trade agreement should result in the elimination of all trade barriers to agriculture with the goal of increased market access. The major objectives of trade liberalization and increased market access must be equitable tariffication leading to the complete elimination of all tariffs to increase market access within specified time frames;

All signatories to trade agreements must be bound to resolving sanitary and phytosanitary issues on the basis of sound scientific principles in accordance with the Uruguay Round agreement;

The dispute resolution procedures under NAFTA, the WTO and all future agreements would be refined and shortened or accelerated to facilitate and address specific commodity needs, especially the issues involving perishable products.

Trade agreements must not be threatened by processes or regulatory standards governing how products are produced but must focus on product standards and guarantee market access for safe products and recognize equivalent processes.

We believe that the administration must have the authority to negotiate with our trading partners. This authority must be based on sound principles that protect and lead to greater market access for American agriculture.

We look forward to working with the Administration and Congress to achieve a focused negotiating authority that will lead to greater market opportunities for American agriculture.

American Farm Bureau Federation
American Feed Industry Association
Agricultural Retailers Association
Grocery Manufacturers of America
National Grange

Nestle, U.S.A., Inc.
Northwest Horticultural Council
United Egg Association
United Egg Producers
U.S. Wheat Associates
U.S.A. Poultry and Egg Export Council

A similar letter has been sent to members of the House Ways and Means Committee and the Senate Finance Committee.

AMERICAN AGRICULTURE FOR FAST TRACK

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National Sunflower Association
North American Export Grain Association, Inc.
U.S. Apple Association
U.S. Dairy Export Council
U.S. Feed Grains Council
U.S. Meat Export Federation
USA Poultry and Egg Export Council

September 16, 1997

AGRICULTURE FOR FAST TRACK

The U.S. agricultural organizations whose statements follow support renewal of clean fast-track negotiating authority without restrictive labor or environmental provisions. The basis for agriculture's support is simple; it provides the United States the only vehicle for maintaining its leadership position in the world by meeting our responsibilities in trade.

Without traditional fast track authority, the United States, especially the agricultural sector, will suffer from increasingly limited access to current and future markets, as the world progresses more slowly toward liberalization and trade agreements are concluded without U.S. participation.

With traditional fast track authority, the U.S. agricultural community can maintain its status as the leader in world agricultural trade through new trade agreements which improve access to foreign markets.

U.S. agriculture is highly dependent on foreign markets with one-third of all commodities produced in the United States exported. The United States benefits from agriculture as the largest contributor to the U.S. balance of trade, with agricultural exports of over \$60.3 billion last year and a trade surplus of \$28.5 billion projected for this year. Moreover, each dollar generated by agricultural exports stimulates another \$1.39 in supporting economic activity.

The world depends on the United States' commitment to providing a reliable food supply, with 21 percent of the world's exports in agricultural products coming from the United States. The reliance of the United States and the world on U.S. agricultural trade must not be overlooked as we engage in this debate of historic significance.

Although the march towards worldwide trade liberalization may be slow, the reality is that trade agreements will continue to take place with or without the United States' participation. The United States must now decide between two distinctly different and mutually exclusive directions: Will the United States lead the world into a more prosperous future, or will we slow progress and ultimately be left out all together?

Congress, by passing clean fast track negotiating authority, will have provided the essential tool for the United States to make the leadership choice. Failing to do so will ultimately relegate the United States to observer status as our competitors and customers around the world negotiate and develop agreements without our participation. Such a result would not only leave U.S. industries disadvantaged, but more generally forfeit the United States' role as a world leader for the foreseeable future.

The Uruguay Round and the NAFTA were important steps in liberalizing agricultural trade. Both agreements resulted in important new market access opportunities for U.S. exports. The Department of Agriculture estimates that NAFTA alone will lead to \$2 billion to \$2.5 billion in additional agricultural exports. However, further progress needs to be made. High tariffs and other barriers continue to restrict our access in potentially large markets such as China and India. In addition, a number of countries are using market-distorting export practices that were not effectively disciplined by the Uruguay Round export subsidy commitments. These practices need to be brought under the rules and disciplines of effective international trade agreements.

U.S. agriculture must have a level playing field on which to compete without trade-distorting import barriers and export practices. Fast track trade negotiating authority is needed to successfully engage in broad-based, multilateral negotiations that will lead to greater liberalization for all of agriculture. The United States is in danger of being left behind as regional and bilateral free-trade agreements are being negotiated throughout the Western hemisphere. U.S. exports of agricultural products are disadvantaged by Western Hemisphere free-trade agreements that give some of our largest competitors preferential access to markets in which we could be very competitive.

With the 1999 review and continuation process that is part of the WTO's built-in agenda from the Uruguay Round, The Free Trade Area of the Americas, and Asia Pacific Economic Cooperation forum, U.S. agriculture faces an ambitious trade policy agenda. The United States not only has to actually be engaged in these trade negotiations, we have to *take the lead* in setting an agenda that will remove the remaining distortions to trade in agriculture.

In order to do so , traditional fast track trade negotiating authority must be renewed.



Fast Track Negotiating Authority

ACPA supported the Uruguay Round Agreement and NAFTA, and urges the renewal of fast track negotiating authority. With fast track authority, the U.S. will be able to capitalize on international commercial opportunities by gaining the ability to participate in numerous important trade negotiations presently underway. Currently, the U.S. is excluded from these negotiations because of lack of fast track authority.

Fast track negotiating authority is essential for the U.S. to maintain its leadership position in world trade. The U.S. would be unable to participate in scheduled negotiations in the WTO. Additionally, U.S. negotiators could not take advantage of opportunities for sectoral negotiations -- for example, the recent Information Technology Agreement which will eliminate tariffs in 39 countries on information technology products and increase opportunities in a sector currently supporting 1.8 million U.S. jobs.

Negotiations should be continued for bilateral and regional trade agreements. Our foreign competitors are making significant progress in this area at U.S. expense. The Japanese government is already negotiating trade agreements with key countries in South America.

The removal of trade barriers and non-tariff trade barriers is essential for the overall growth of world trade, and for the U.S. to expand its share of the world market.

While improving working conditions and environmental protection around the world are important goals, agriculture trade sanctions should not be used to force changes in labor or environmental laws.

In summary, ACPA strongly supports renewal of fast track negotiating authority by Congress.

#

ACPA's mission is to foster the interests of the general public and ACPA member companies by promoting innovation and the environmentally sound use of crop protection products for the economical production of safe, high quality, abundant food, fiber and other crops. ACPA is the not-for-profit trade organization of U.S. manufacturers, formulators, and distributors of agricultural crop protection and pest control products. Organized in 1933, ACPA's membership is composed of the companies that produce, sell and distribute virtually all the active compounds used in crop protection chemicals registered for use in the United States.

L.FASTTRAC
August 15, 1997

**STATEMENT IN SUPPORT OF RENEWAL
OF TRADITIONAL TRADE NEGOTIATING AUTHORITY
SEPTEMBER 16, 1997**

The American Meat Institute (AMI) -- a national trade association representing the packers and processors of 70% of the nation's beef, pork, lamb, veal and turkey production, and their suppliers across America -- strongly supports renewal of traditional trade negotiating authority.

Continued growth in exports of U.S. livestock and poultry products is critical to maintaining the economic viability of the industry. While our exporters are grateful for the success they have experienced in boosting overseas sales and excited about future growth opportunities, they remain frustrated by persistent difficulties encountered in gaining and maintaining access. The most effective means of resolving these difficulties is through further bilateral, plurilateral, and multilateral negotiations. Unless the Congress agrees to renew the administration's trade negotiating authority, the United States will be unable to meaningfully participate in any such negotiations.

The U.S. meat and poultry industry is committed to aggressively pursuing overseas markets, but it needs the unbridled support of the U.S. government. More than ever, the welfare of the American farmer and his/her family depends upon our ability to compete in the global economy. This nation is blessed with a combination of natural, technological, and human resources that make the United States the largest and most competitive agricultural producing country in the world. Only through concessions obtained in trade agreements can we exploit those advantages.

Exports of U.S. red meats have grown rapidly over the past decade--reflecting global economic expansion, cultural changes, and the success of public and private U.S. efforts to open foreign markets to meat imports. In 1996, U.S. packers and processors sold \$3 billion worth of beef and beef variety meats to the world and a record \$1.1 billion worth of pork and pork variety meats. This compares with only \$1.1 billion in beef and beef variety meats and \$154 million in pork and pork variety meats in 1987.

The dynamics of meat and poultry production and marketing in the United States have changed dramatically in little more than a decade, and likely will continue to change. The economic well-being of the industry is now heavily dependent on our ability to maintain and expand access to foreign markets. A study conducted for the U.S. Meat Export Federation, for example, concluded that export sales of beef and beef variety meats contributed 12.4 percent of the wholesale value of U.S. beef production in 1996, three times the figure of just ten years earlier. And export sales of pork and pork variety meats were responsible for 8.8 percent of the wholesale value of total U.S. pork production last year, almost 10 times the figure for a decade earlier.

In general, substantial growth in exports of U.S. red meat exports has come in spite of significant barriers. Tariffs on meats, and many other agricultural products, are still relatively high in many countries. U.S. exporters face other constraints, like Japan's gate price and safeguard mechanisms for pork, government restrictions -- or quasi-governmental agency controls -- on the types of meat which may be imported or the types of establishments which may import, outright import bans (such as Taiwan's ban on imports of pork variety meats), and questionable animal or public health restrictions, like the European Union's hormone ban and onerous meat inspection requirements. In some cases, these problems can be addressed through aggressive enforcement of current trade agreements, but for most, additional trade negotiations will be necessary. Therefore, solutions are only possible if the Congress agrees to renew the administration's traditional trade negotiating authority.



**American Soybean
Association**

AMERICAN SOYBEAN ASSOCIATION SUPPORTS RENEWAL OF FAST-TRACK AUTHORITY

The American Soybean Association (ASA), organized in 1920, is a national nonprofit, nonpartisan, volunteer, single-commodity organization of U.S. soybean farmers. The ASA's 31,525 members produce approximately 54% of the U.S. soybean crop. ASA functions as the primary International Market Development contractor for the United Soybean Board (USB), which administers the National Promotion/Research Checkoff that U.S. soybean farmers have voluntarily levied on themselves.

The ASA has been involved in foreign market development activities for soybeans and soybean products since 1956. ASA currently has 13 foreign offices conducting market development activities in 83 countries around the world.

Past Success - WTO/Blair House

In 1992, a trade agreement known as the Blair House accord was signed as a result of the President's then-existing 'fast track' authority. The Blair House accord, which limits the amount of oilseed production (hectares) that the European Union (EU) can subsidize, was a crucial breakthrough which unlocked a GATT negotiating jam then preventing reform of world trade rules governing agriculture. That accord followed a successful Section 301 complaint brought by the ASA against the EU subsidy practice, but the Blair House agreement almost certainly could not have occurred without Fast Track authority.

Since 1992, when Blair House capped the EU's GATT-contravening oilseed production subsidies, U.S. soybean and soy product exports to the EU have increased each year. The U.S. now holds a 63% market share in the European Union.

Past Success - NAFTA

In 1994, the North American Free Trade Agreement (NAFTA) went into effect. NAFTA is designed to reduce or eliminate tariff and non-tariff trade barriers among the US, Canada, and Mexico. Soybean and soy product trade between the US and Canada is already duty free. The substantial tariffs that had hindered US soy exports to Mexico in 1993 are already lower, and will be totally phased-out by 2003. This has helped to solidify America's dominant market share in Mexico for soybeans and soy products, allowing them to reach record levels under NAFTA.

Future Challenges Needing Fast Track

Exports to a number of countries, most notably China, of US soybeans and soy products are hindered by the requirement for such imports to be handled by state trading enterprises. Other hindrances -- in a variety of countries -- include:

- Market access (level playing field)
- Elimination of export subsidies
- Elimination of tariff rate quotas
- Elimination of Sanitary and Phytosanitary (SPS) barriers to agricultural commodity trade -
For example, the countries of Poland and India are currently preventing the import of US

soybeans on the purported bases that those soybeans could contain weed seeds that would wreak economic damage on the farmers of their respective countries. ASA is working to combat those SPS barriers, but fast track authority could help these barriers to be surmounted on a more timely basis.



BLUE
DIAMOND

Almond Facts

RENEWED FAST TRACK AUTHORITY IS CRITICAL FOR THE U.S. ALMOND INDUSTRY'S ECONOMIC HEALTH AND GROWTH.

Fast track is necessary for the United States to reach agreements that tear down barriers to export U.S. almonds. The debate about future U.S. trade negotiations is much broader than NAFTA. Successful future trade agreements will increase current almond sales of \$908 million; purchases of related services of \$1.78 billion; personal income of \$652.6 million and nearly 20,000 related jobs.

Almonds will be California's largest food export in 1997-98. They rank among the top 10 California exports in the EU, Canada, India, South Korea and Singapore; the top 15 in Taiwan, Japan, Indonesia and Mexico; and the top 20 in China and Hong Kong.

Without fast track, the United States will be unable to participate effectively in important negotiations already scheduled in the WTO, including those in India where almonds are the leading U.S. export valued at \$50 million.

Without fast track, the United States will be unable to compete with other countries in reaching bilateral and comprehensive regional trade agreements. Many of our foreign competitors have been aggressively pursuing their own economic interests through their own trade agreements, including Asia and in our hemispheric backyard. For example:

- Both Canada and Mexico now have free trade agreements with Chile. Chile is an almond producing country, while Canada and Mexico currently consume an average of \$40 million annually of U.S. almonds.
- The Latin American Southern Cone Common Market ("Mercosur"), which already consists of Brazil, Argentina, Paraguay, and Uruguay, has agreements with Chile and Bolivia and is negotiating trade arrangements with other countries in Latin America.
- Japan and the European Union are working toward trade arrangements with countries in Latin America and Asia. The EU is the largest export market for California almonds at \$600 million, while Japan is second largest at \$85 million. Several EU countries produce almonds, with Spain being the leading EU producer.

If the United States is forced to stay on the sidelines because we don't have fast track, we risk being left behind as other countries open up trade for their farmers while keeping barriers against U.S. almond exports.

- While Blue Diamond Growers stands ready to support a compromise that meets its trade goals, trade sanctions should not be used to force changes in labor or environmental laws.

Farmland Industries, Inc.
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Washington, D.C. 20005
Telephone: 202 783-5330
Facsimile: 202 783-4381

FARMLAND SUPPORTS THE RENEWAL OF FAST TRACK AUTHORITY

Farmland Industries, Inc. is the largest farmer-owned cooperative in North America with over 1,400 local cooperative members, serving 500,000 farmer-rancher families in 22 Midwestern states, Mexico and Canada. Also, more than 13,000 livestock producers are direct members of Farmland, marketing their hogs and cattle. It is this network of farmer, farmer-cooperatives and Farmland, and the many people who work for them, that make up the Farmland Cooperative System.

Headquartered in Kansas City, Missouri, Farmland manufactures and distributes to its farm cooperative members agricultural inputs, including petroleum, crop production and feed. Domestic and international marketing opportunities are provided for our member-owners' agricultural outputs, including the slaughtering, processing and marketing of pork and beef, and grain processing and marketing. The Farmland System conducts business in all 50 states and more than 70 countries.

The future economic well being of American agriculture is closely tied to our competitiveness in an expanding global market. The importance of trade to the future of American agriculture has been emphasized under the 1996 Farm Bill, with the reduction in support to producers from domestic farm programs. US producers now depend on exports for over 25 percent of gross receipts. This is anticipated to be 35 percent by 2003.

In response to this globalization, Farmland Industries has developed business strategies that reflect a strong commitment to expanding world markets. The farmers and ranchers who own the Farmland System are very much involved in expanding international markets. In the past six years, our international sales have grown from less than \$200 million to over \$4.1 billion. In Mexico alone we have seen our trade, since the passage of the NAFTA, grow from less than \$50 million in 1992 to \$450 million in 1996. We believe US policy must also be dedicated to the expansion of global markets.

Farmland finds that sanitary and phyto-sanitary non-tariff trade barriers, for meat and grain, are among the most important and prevalent of our concerns with respect to international marketing of System products. Incidence and cost of problems related to these barriers, in addition to lost business, is increasing at an alarming rate. These barriers expose Farmland specifically and US agriculture in general to millions of dollars of risk and lost trade.

The next round of global agricultural trade negotiations is scheduled to commence in 1999. The continued removal of tariff and non-tariff barriers to trade, so that new markets are opened and access is increased to existing markets, is of particular importance to Farmland and its member owners. In order to adequately prepare for and participate in these negotiations, US trade officials need fast track authority now.

The farmers and ranchers who own Farmland support the passage of Fast Track authority as a vital tool in the pursuit of trade liberalization. They clearly understand the importance of world trade to US Agriculture's continued growth.

The Fertilizer Institute

TFI Urges Prompt Renewal of Fast-Track Authority

- Trade Agreements permit U.S. fertilizer producers to exploit their comparative advantage in international markets.
- TFI supported NAFTA and GATT, which have benefited U.S. ag industries.
- U.S. agriculture is uniquely positioned to reap the benefits of liberalized ag trade because the U.S. is the lowest cost producer of the safest highest quality food in the world.
- U.S. trade negotiations need fast-track authority in order to bring Chile into NAFTA. U.S. phosphate exports from Florida are subject to an 11 percent tariff on arrival in Chile. Phosphate fertilizer from Mexico, however, is given duty-free treatment under a bilateral free trade agreement. The current disparity imposes a price advantage on U.S. phosphate fertilizer as much as \$25 a ton.



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

IDFA Urges Renewal of Fast Track Negotiating Authority

The International Dairy Foods Association (IDFA) is the leading U.S. dairy processor trade association representing more than 650 companies and organizations involved in the processing, manufacture, and marketing of dairy products. As an umbrella organization, IDFA is comprised of three constituent associations -- the Milk Industry Foundation, the National Cheese Institute, and the International Ice Cream Association. IDFA member companies include a wide range of enterprises, from multinational corporations to small family businesses, proprietary firms to farmer cooperatives. They have more than 730 dairy-related facilities in 48 states across the United States. IDFA members account for approximately 85% of the \$70 billion worth of dairy foods, including milk, milk products, yogurt, sour cream, cheese, ice cream and frozen novelties, consumed in the United States.

The U.S. dairy industry produces high-quality, affordable, and safe dairy products for consumers, food service providers, and food manufacturers. New trade rules achieved in the GATT Uruguay Round as well as U.S. farm policy changes embodied in the 1996 FAIR Act, have given the U.S. dairy industry both the opportunity and incentive to engage more actively in international markets. U.S. dairy exports now exceed \$740 million annually. Much more needs to be done, however, before international opportunities for the dairy sector are truly open and fair. With improved access to foreign markets, the U.S. dairy industry is well positioned to be a leading competitor in world dairy trade.

Reasons Why Fast-Track Renewal is Important

IDFA strongly supports renewal of fast track negotiating authority, in order to continue making progress in eliminating existing trade barriers and preventing new ones from emerging in international markets for U.S. dairy products.

Renewal of fast-track authority is critical for the United States to play a leadership role, which it must, in the upcoming WTO negotiations on agriculture, scheduled to begin in 1999. We cannot afford to allow the European Union, which has captured substantial shares of world dairy trade through subsidies (for example, 57% of world cheese trade, as compared to the U.S. share of 3%), to dominate these negotiations. The only way we can assure improved access for U.S. dairy products is to be a forceful leader at the negotiating table. ***That requires fast track.***

In important regional markets around the world, U.S. opportunities are being lost as other countries move forward, forging trade arrangements that exclude, and even disadvantage, the U.S. Many of these markets, particularly in Latin America and Asia, have the fastest growing incomes and population growth, where opportunities for expanded sales of dairy products are greatest. It is imperative that opportunities for the U.S. dairy industry to expand sales and market share in these emerging markets not be bypassed and captured by our foreign competitors. ***We must arm U.S. negotiators with fast track authority so they can make sure that dairy markets around the world are open for the benefit of U.S. dairy producers, processors, and foreign consumers.***

For more information, contact: Janet A. Nuzum, Vice President and Counsel

FAST TRACK - AGRICULTURE GROUPS

September 12, 1997

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. list	Attendees to the Fast Track Briefing; RE: Personally Identifiable Information [partial] (3 pages)	09/24/1997	b(6)

COLLECTION:

Clinton Presidential Records
Policy Development
Jason Berman
OA/Box Number: 10604

FOLDER TITLE:

American Agriculture for Fast Track [binder] [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]

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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]
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- 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]

ATTENDEES TO THE SEPTEMBER 4TH FASTTRACT BRIEFING

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member
18 years

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for an UN
vote

Steven Eure
National Milk Producers Federation

Randy Jones
National Council of Farmer Cooperatives

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1 out of 30 | w/ Canada
picture is | + Europe
beach | EU - only way
next round | WTO talks

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Allen Johnson
National Oilseed Processors Assn.

(b)(6)

Luther Markwart
American Sugarbeet Growers Assn.

Celestas Jurkovich
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Bill Simpson

Ag Jones

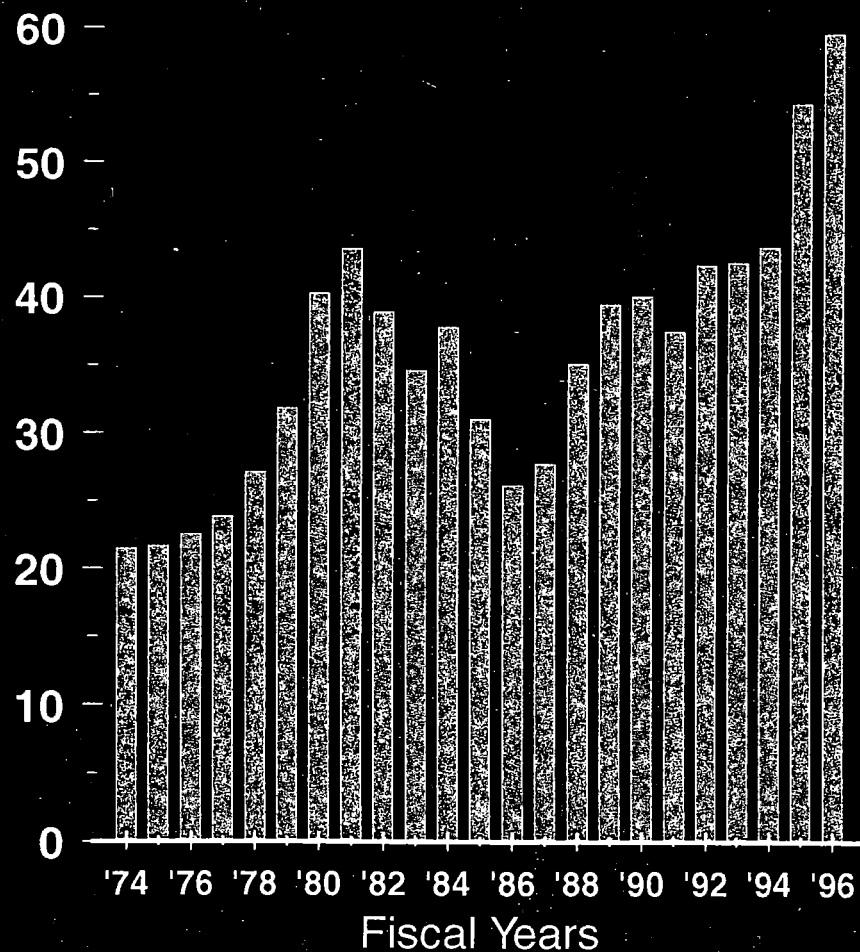
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U.S. Agricultural Exports Reach Record \$60 Billion!

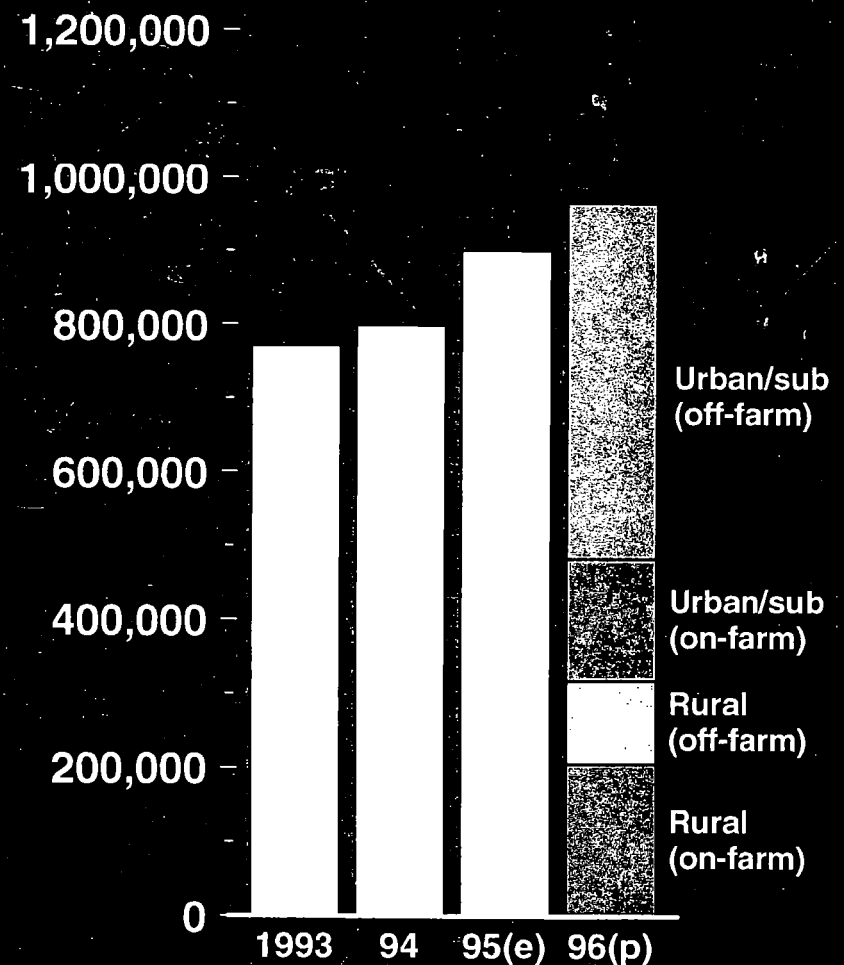
Supports 1 million jobs nationwide...

in urban, suburban and rural areas, both on and off the farm

U.S. Agricultural Exports (\$ Billion)



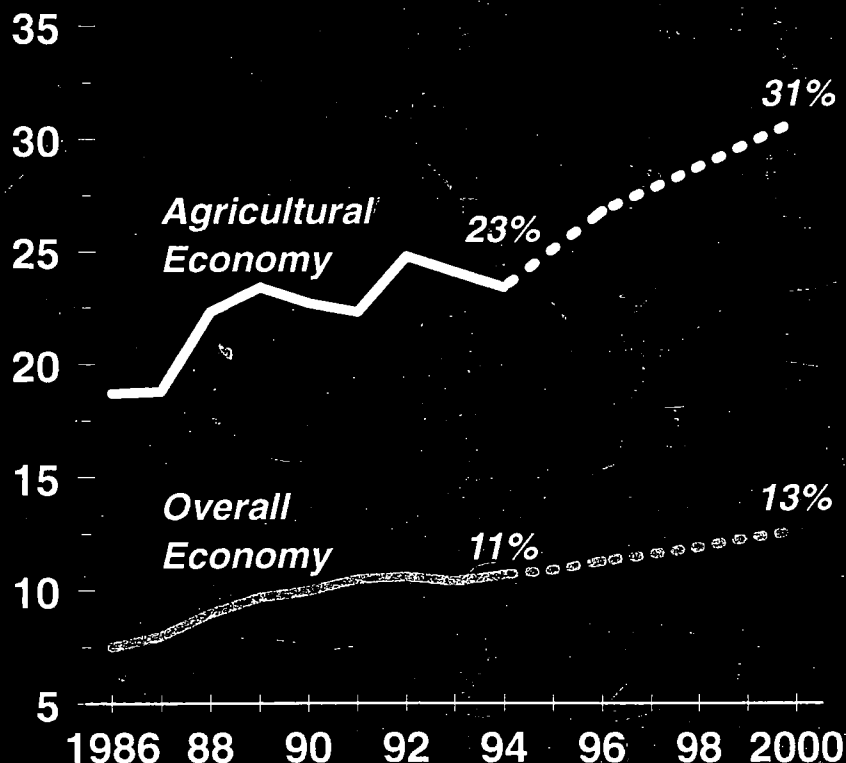
U.S. Jobs Supported by Ag Exports



Exports Are Vital to American Farmers

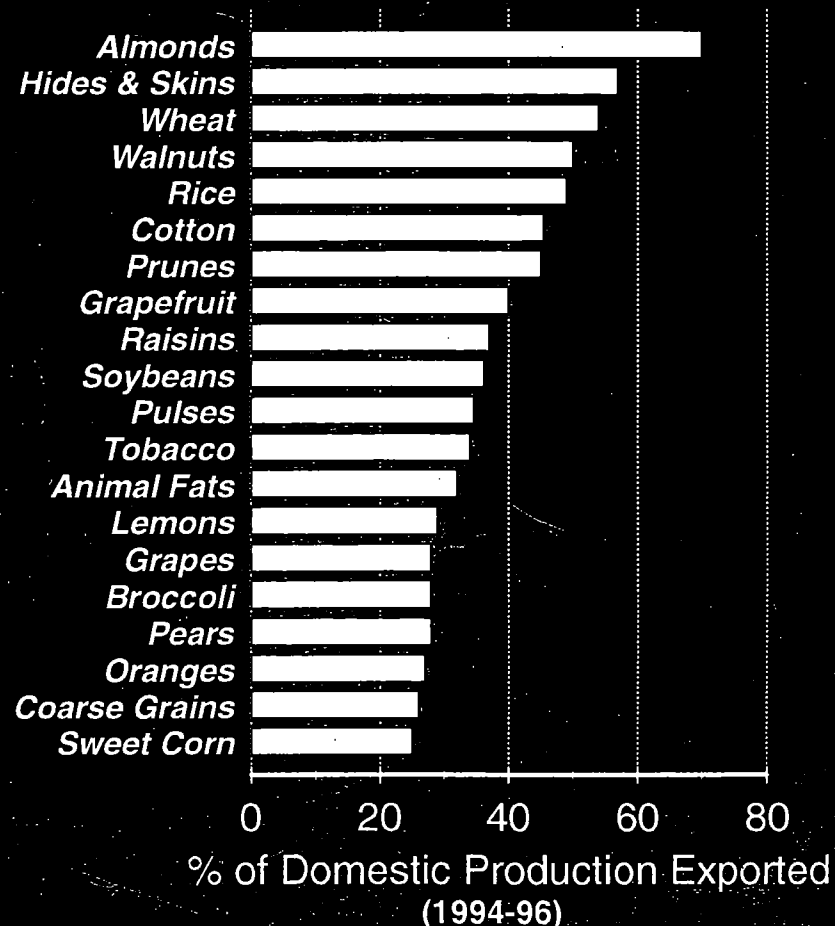
Compared to the general economy, U.S. agriculture's reliance on export markets is *higher and rising faster*

Export Reliance (%)



Ag Export reliance = ag exports / (cash receipts - govt payments)
 Overall export reliance = total exports / GDP
 Projections based on export goals cited in LATS, National Export Strategy

Some products which depend on overseas markets for at least 1/4 of total sales



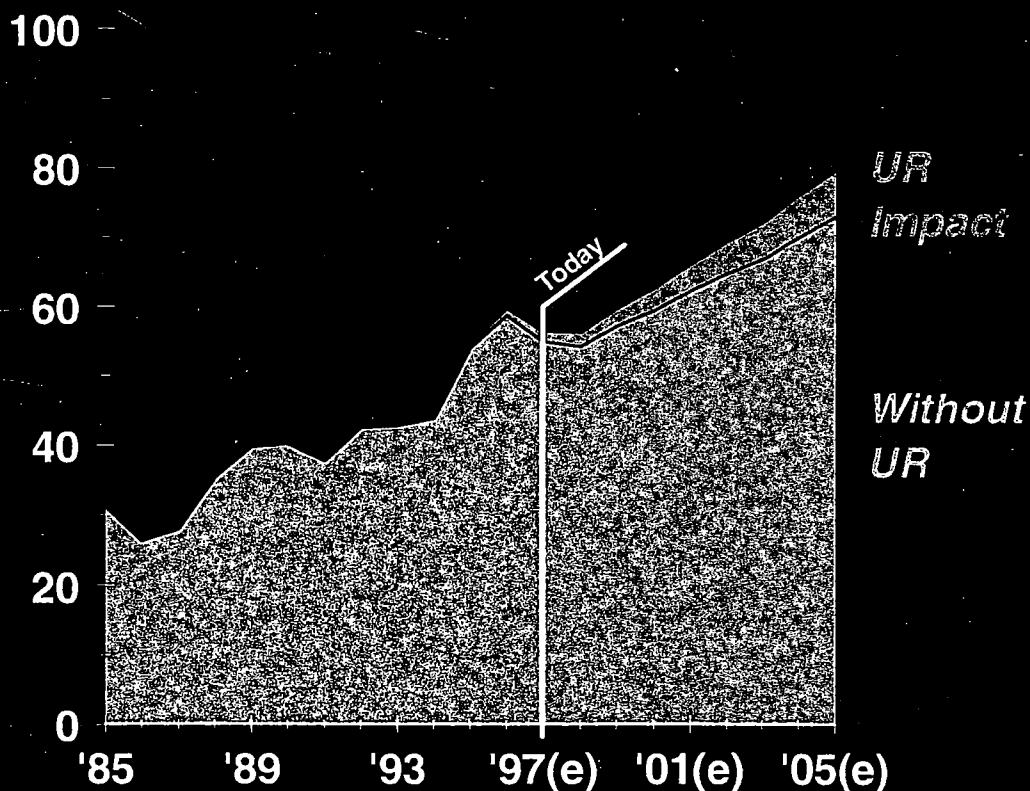
Uruguay Round Expected to Deliver \$7 Billion in New Sales to U.S. Suppliers by 2005

Just the Beginning of Multilateral Trade Liberalization for Agriculture

- *Uruguay Round was first round of multilateral trade talks to significantly address ag issues.*
 - ✓ *It took 7 rounds and 50 years to reduce global tariffs for industrial goods from 40% to 3.5%.*
 - ✓ *New round for agriculture needed to tackle trade barriers which prevent U.S. exports from reaching full potential.*
- *UR net benefits* to the United States by 2005:*
 - ✓ *\$6.7 billion in new sales*
 - ✓ *103,000 more jobs*
 - ✓ *\$6.2 billion in additional economic activity*

* *Net benefits includes job and income loss due to increased imports.*

U.S. Ag Exports (Bil \$)



Sources: Derived from estimates in "Effects of the Uruguay Round Agreement on U.S. Ag Commodities," USDA's Office of Economics and ERS, 3/94; "USDA Ag Baseline Projections to 2005," ERS, 2/97.

Average Bound Import Tariff Rates* After the Uruguay Round

There is still much work ahead to reduce ag trade barriers further.

The average world rate for agriculture by 2000-04 will be 56%.

