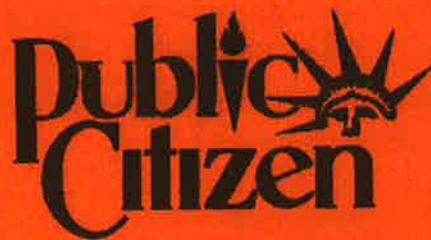


# DEALS FOR NAFTA VOTES: TRICK, NO TREAT

**"If fast track becomes a referendum on NAFTA, [the Administration] could lose, because many industries feel the Administration has failed to live up to promises made during deliberations on [NAFTA]. California's cattlemen, for example, are raising those kinds of concerns, as are tomato growers in that state and Florida."**

*-The Wall Street Journal, October 6, 1997*



**Global Trade Watch  
October, 1997**

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author outlines the various methods used to collect and analyze the data. This includes both primary and secondary data collection techniques. The primary data was gathered through direct observation and interviews, while secondary data was obtained from existing reports and databases.

The third section provides a detailed description of the data analysis process. This involves identifying patterns, trends, and correlations within the data set. Statistical tools and software were used to facilitate this process, ensuring that the results are both accurate and reliable.

Finally, the document concludes with a summary of the findings and their implications. It highlights the key insights gained from the study and offers recommendations for future research and practice. The author notes that while the current study provides valuable information, further exploration is needed to fully understand the underlying factors at play.

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## Deals for NAFTA Votes: Trick, No Treat

On October 8, 1997, the House Ways and Means Committee passed a "fast track" bill that included significant changes from past fast track terms that had been demanded by Republican Members of Congress. Only four of the Ways and Means Committee's Democrats supported the bill. The absence of Democratic support for the GOP fast track has been widely perceived as a warning of the trouble this fast track proposal will face if it comes to a floor vote.

Still, some observers caution that the Administration will try to make "deals" with individual Members of Congress in order to procure the votes needed for passage. Indeed, as a recent article in the *Wall Street Journal* points out: "The trade bazaar is open for business."<sup>1</sup>

The expectation of a barrage of special deals to buy controversial trade votes is based on precedent. In November 1993, Congress passed the North American Free Trade Agreement (NAFTA), despite widespread popular opposition. Several weeks before the 1993 vote, opponents of NAFTA had gathered a slim majority of the votes. Yet NAFTA ultimately passed. At the time numerous press reports documented deals -- many unrelated to NAFTA -- that the Clinton Administration had made with individual Members of Congress and groups of Members to obtain their votes to pass NAFTA.

This summer a coalition of consumer and environmental groups and think tanks, including Public Citizen, released a report on NAFTA's U.S. impact over the last three years. The report showed a legacy of broken promises on NAFTA performance: NAFTA threatened the safety of the nation's food supply, undermined the nation's environmental regulations, and subverted American democracy while it cost the U.S. good jobs.

In this report we review promises made to congressional Representatives to push NAFTA passage, whether those promises were kept, and whether the concerns underlying the deals were in fact addressed.

We found that many of the commitments that the Clinton Administration made in 1993 in order to get NAFTA passed were never fulfilled. Many of the actions that the Clinton Administration did take proved worthless for the parties they were supposed to help.

Depending on the country being considered for a trade agreement with the United States, different sectors of domestic industry may consider themselves to be particularly threatened. The outcomes of the deals granted to industries concerned about NAFTA

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<sup>1</sup> Bob Davis, "Administration Offers Package to Get Liberal Democrats to Back Fast Track," *Wall Street Journal*, October 13, 1997.

should serve as a warning for those now seeking safeguards for sectors likely to be threatened by future trade agreements under the proposed new fast track authority.

## **A. Promises Made to U. S. Industries**





## *1. Five Promises Made to Florida Fruit and Vegetable Producers:*

As Paul DiMare, president of the Florida Farmers and Suppliers Coalition, has written, "The NAFTA promises made to us were not kept... Our position (on fast-track authority) is that we are opposed because we have been hurt and lied to before, and even a letter written by the President of the United States was not worth the paper it was written on."<sup>2</sup>

In 1993, fruit and vegetable producers in Florida had major concerns about the possible adverse impact of NAFTA on Florida commodities. Prior to NAFTA, the United States International Trade Commission had found that the Florida winter vegetable industry was in direct competition with Mexico and that it would be adversely impacted if NAFTA were adopted. The Florida Fruit and Vegetable Association and Members of Florida's congressional delegation demanded safeguards and assurances from the Administration that Florida's fruit and vegetable industry would not be harmed by Mexican imports.

In response, the Administration made several promises to the Florida Fruit and Vegetable Association and Members of the Florida congressional delegation. Many of these promises have been broken.

### *i. Produce Inspections for Pesticide Contamination*

The Clinton Administration promised that if there was a significant increase in imports from Mexico, the U.S. Food and Drug Administration (FDA) would "adjust the import program devoted to inspections of these imports accordingly."<sup>3</sup> Indeed, even on October 4, 1992, in announcing his decision to support NAFTA in a major campaign speech, then-Governor Bill Clinton had said that "assistance should be provided to farmers who are threatened. We can assist them first by strict application of American pesticide requirements to imported foods."<sup>4</sup>

It is difficult to imagine how this promise could have been broken more spectacularly. As Public Citizen documented in its recent report, "NAFTA's Broken Promises: Fast Track to Unsafe Food," imports from Mexico of fresh fruit increased 35% under NAFTA, while imports of fresh vegetables climbed 52%.<sup>5</sup> However, inspections of Mexican food for

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2 Letter from Paul DiMare, Florida Farmers and Suppliers Coalition, Inc and DiMare Homestead Inc., Homestead, Florida to Senator Bob Graham, September 13, 1997.

3 Letter from US Trade Representative Mickey Kantor to Michael J. Stuart, Executive Vice President and General Manager of the Florida Fruit and Vegetable Association, November 10, 1993.

4 Remarks by Governor Bill Clinton, North Carolina State University, Raleigh, North Carolina, October 4, 1992.

5 U.S. Bureau of the Census, Trade Data, Analyzed by Commodity and Marketing Programs, Foreign

illegal pesticides fell 5% from 1993 to 1995.<sup>6</sup> The most recent data available indicate that imported food is more than three times more likely to be contaminated with illegal pesticide residues than domestically-produced food.<sup>7</sup> Indeed, several of the Mexican crops that were known by the FDA to have high rates of illegal pesticide residues in the early 1990's are among those imports which have risen the fastest under NAFTA.

U.S. government inspections of imported food for illegal pesticide residues have been falling. In fact, even though imports have risen as a share of the U.S. food supply, they have fallen as a share of government inspections.<sup>8</sup>

## ii. Tomato Relief

In a November 10, 1993, letter to Michael Stuart, Executive Vice President of the Florida Fruit and Vegetable Association, the Clinton Administration attempted to respond to concerns of the Association:

The Clinton Administration promised that the U.S. ITC would monitor imports of tomatoes and sweet peppers from Mexico under NAFTA to guard against import surges, and that if imports from Mexico were found to be harming the domestic U.S. industry, then U.S. Trade Representative Kantor would recommend that the Administration grant relief to the industry.<sup>9</sup>

In fact, although imports of tomatoes from Mexico surged 71% by volume under NAFTA<sup>10</sup>, and the Florida tomato industry claims to have lost \$750 million under NAFTA<sup>11</sup>, with the resulting loss of jobs and revenue to the Florida economy, the Administration has granted no relief to Florida tomato growers.

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Agricultural Service, USDA.

6 "Residue Monitoring - 1993", Food and Drug Administration, October 1994, p.5; "Pesticide Program Residue Monitoring 1995", Center for Food Safety and Applied Nutrition, Food and Drug Administration, October 1996, p. 7.

7 "Pesticide Program Residue Monitoring 1994", Food and Drug Administration, October 1995; "Pesticide Program Residue Monitoring 1995", Center for Food Safety and Applied Nutrition, Food and Drug Administration, October 1996.

8 See also "Imports Swamp U.S. Food-Safety Efforts", Jeff Gerth and Tim Weiner, New York Times, September 29, 1997.

9 Letter from US Trade Representative Mickey Kantor to Michael J. Stuart, Executive Vice President and General Manager of the Florida Fruit and Vegetable Association, November 10, 1993. Reprinted in *Inside U.S. Trade*, November 19, 1993.

10 "Impact of the North American Free Trade Agreement on the U.S. Economy and Industries: A Three Year Review," U.S. International Trade Commission, June 1997, p. 6-65

11 Letter from John Himmelberg on behalf of the Florida Tomato Exchange to Representative Joe Scarborough, August 25, 1997.

### iii. Methyl Bromide Phaseout

The Clinton Administration promised the domestic tomato industry that there would be no restrictions on the use or manufacture of methyl bromide until the year 2000, by which time there were supposed to be "satisfactory alternatives." The Administration committed to "full funding" for research into alternatives to methyl bromide and promised that if "no satisfactory alternative is found, the Administration will consider appropriate action to guarantee that our agricultural producers are not left without a commercially viable means of achieving the necessary soil and post-harvest fumigation."<sup>12</sup>

In fact, according to the Florida Fruit and Vegetable Association, the Administration agreed to a 25% reduction in the use of methyl bromide beginning in 1999.<sup>13</sup> The commitment to full funding for research on alternatives has not been kept; and U.S. producers will face a methyl bromide ban in 2001 while their foreign competitors may use methyl bromide until 2015.<sup>14</sup>

### iv. Import Surge Protection

On November 16, 1993, President Clinton sent a letter to Florida Representative Tom Lewis (R-FL) in which he stated: "I am committed to take the necessary steps to ensure that the USTR and the ITC take prompt and effective action to protect the U.S. vegetable industry against price-based import surges from Mexico. I want you to know that I am personally committed to ensuring that this system is enforceable and effective."<sup>15</sup>

However, according to Wayne Hawkins, Executive Vice President of the Florida Tomato Exchange, despite repeated requests from the industry, no direct action has been taken to fulfill this promise. The industry estimates that 10,000 workers in Florida have lost their jobs due to NAFTA.<sup>16</sup>

### v. Tariff Phaseout Wiped Out

In order to enable domestic growers to adjust to the removal of tariffs on winter vegetables, the Florida tomato growers were granted a 10-year phase-out of the tariff.

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12 Letter from US Trade Representative Mickey Kantor to Michael J. Stuart, Executive Vice President and General Manager of the Florida Fruit and Vegetable Association, November 10, 1993.

13 Interview with John Himmelberg, representing the Florida Tomato Exchange, 10/13/97.

14 Interview with John Himmelberg, representing the Florida Tomato Exchange, 10/13/97; confirmed by EPA on their web site defending U.S. policy, "Methyl Bromide and Ozone Depletion," <http://www.epa.gov/docs/ozone/mbr/mbrqa.html#q3>.

15 Letter from President Clinton to Representative Tom Lewis, November 16, 1993.

16 Letter from Wayne Hawkins, Executive Vice President of the Florida Tomato Exchange, 10/9/97.

However, even though the 40% devaluation of the Mexican peso in 1994 effectively canceled out this provision, the U.S. government took no compensatory action.

## ***Kantor Letter on Florida Fruit and Vegetables***

**Mr. Michael J. Stuart**  
Executive Vice President and General Manager  
Florida Fruit and Vegetable Association  
Orlando, Florida

**Dear Mr. Stuart:**

I want to respond to the concerns raised by the Florida Fruit and Vegetable Association regarding the North American Free Trade Agreement (NAFTA) and other developments affecting your industry.

Let me first respond to your concerns about the possible trade impact of NAFTA and other agreements. With regard to any potential harm from future increases in imports, I want to assure you the Administration will vigorously utilize the early warning import surge mechanism negotiated under NAFTA with respect to tomatoes and sweet peppers. I will also expedite any request for relief under the fast-track provisional relief procedures of Section 202(d) of the Trade Act of 1974. Since your products will, as a result of the NAFTA implementing bill, already be under the U.S. International Trade Commission (ITC) monitoring this will ensure a quick resolution of any such request. If, after investigation, the ITC determines that imports of tomatoes or sweet peppers are a substantial cause of serious injury, or threat thereof, to the domestic industry, I will recommend to the President that he proclaim

provisional relief for the industry.

I am also very much aware of your concern that concessions on tomatoes and sweet peppers in the Uruguay Round, when combined with tariff phase-outs to which we are committed under the (NAFTA), could impair Florida's ability to remain competitive in the production of these crops. Therefore, I want to assure you that the Administration will not agree to tariff cuts in the Uruguay Round that are greater than 15 percent ad valorem on the following sensitive items:

<b>HS</b>	<b>Description</b>
0702.00.2000	Tomatoes, fresh/chilled, entered 3/1-7/14, inclusive, or 9/1-11/14, inclusive, in any year.
0702.00.4000	Tomatoes, fresh/chilled, entered 7/15-8/31, inclusive, in any year.
0702.00.6000	Tomatoes, fresh/chilled, entered 11/16, in any year, to the last day of the following February, inclusive.
0709.60.0040	Fruits of the genus Capsicum (peppers), other than chili, fresh/chilled.
0705.11.2000	Head lettuce, fresh/chilled, 11/1-5/30, inclusive.
0705.19.4000	Lettuce, not head lettuce, 11/1-5/30, inclusive.
0707.00.2000	Cucumbers, fresh/chilled, entered 12/1-last day of February, inclusive.

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**S-3**



0707.00.4000 Cucumbers, fresh/chilled, entered 3/1-4/30, inclusive.  
 0707.00.5000 Cucumbers, fresh/chilled, entered 5/1-6/30, inclusive, or 9/1-11/30, inclusive.  
 0709.40.2000 Celery, fresh/chilled, reduced in size.  
 0709.40.6000 Celery, fresh/chilled, not reduced in size 8/1-4/14, inclusive.  
 0709.90.4070 Sweet corn, fresh/chilled.

In addition, I will recommend to the President that he not use his authority under 19 U.S.C. 2463 to designate these items as "eligible articles" for purposes of the Generalized System of Preferences program.

I know you are concerned about the expansion of Caribbean Basin Initiative (CBI) benefits in the region. As you may know, the countries currently eligible for CBI benefits are listed in the statute. I want to assure you that with regard to possible new participants in CBI because of developments in the hemisphere, we will not grant benefits on fruits and vegetables to any new entrant that would adversely affect your industry.

You have expressed an interest in participating in the Market Promotion Program (MPP) for enhancing agricultural exports by promoting U.S. agricultural goods in foreign markets. Since this program is administered by the U.S. Department of Agriculture, I have discussed your interest with Secretary Espy. The Secretary informs me that in order to be eligible for this program, your organization must make formal application and demonstrate a readiness to match promotion funds which would be provided by USDA. If your organization meets all the requirements, your application will be seriously considered by the secretary.

I understand that you are concerned that there be adequate inspection by the Food and Drug Administration (FDA) of imported fruits and vegetables from Mexico. I have been advised by the FDA that they constantly monitor the level of imports of FDA-regulated products. The FDA has committed that if it sees a significant increase in imports from Mexico, it will adjust the import program devoted to inspection of these imports accordingly.

Insofar as Florida's representation on the Agricultural Policy Advisory Committee (APAC) and the Agricultural Technical Advisory Committee for Fruits and Vegetables (ATAC) is concerned, I would welcome the continued service of our association's representatives on these Committees. I will recommend to the President that such representatives be appointed.

I also want to respond to concerns you have raised with respect to several non-trade issues. First, regarding methyl bromide replacement, I have spoken with Secretary Espy and I want to assure you that the Administration is committed to full funding of research for alternative soil and post harvest substances that can be used for both soil and post-harvest fumigation. The Administration recognizes the potential harm to your industry and others unless a satisfactory solution is found, and the President has asked me to assure you that this effort will be given a very high priority. Attached is a breakdown of our current spending on such research in Florida, and Secretary Espy and I want to assure you that this research will be continued, and if necessary expanded in future years.

Under the proposed EPA regulations now being finalized for methyl bromide, there will not be any restriction on the manufacture or use until the year 2000, by which time we hope to have satisfactory alternatives. The President wants to assure you that if no satisfactory alternative is found, the Administration will consider appropriate action to guarantee that our agricultural producers are not left without a commercially viable means of achieving the necessary soil and post-harvest fumigation. Given the critical nature of this substance to our trade interests, you can be certain of my personal involvement in this matter to ensure that your commercial interests are not affected by any future restrictions.

With respect to the re-registration of minor use pesticides

under the Federal Insecticide, Fungicide, and Modenticide Act (FIFRA), the Administration has already proposed legislation to accommodate your concerns. We are willing to work actively with you to secure the earliest possible enactment of this legislation.

I am pleased to report that Secretary Espy is prepared to continue and expand purchases of fresh vegetables for the school lunch program, including a doubling of the purchases for fresh tomatoes and new purchases of sweet corn. In order to accomplish this, he will work with your industry to put in place the necessary changes in the current system to accommodate fresh vegetables. The Secretary is also committed to the completion of the U.S. Horticultural Research Station in Fort Pierce, Florida. The new facility is in the design stage and is expected to be completed in FY-98 at a cost of \$33 million. We will complete the construction of this facility and ensure its full funding. Once completed, this facility will expand considerably the number of research scientists working on vegetable research.

I trust that these commitments will permit you to support enactment of NAFTA implementing legislation.

Sincerely,  
 Michael Kantor

**Research on Methyl Bromide Alternatives in Florida  
 Agricultural Research Service  
 U.S. Department of Agriculture**

Methyl bromide (MB) is a halogenated hydrocarbon used as a soil fumigant to control insects, weeds, and soil pathogens affecting production of vegetables and other crops and as a post-harvest fumigant for pest disinfection of fruits for export and import. EPA has banned the use of MB by the year 2000 because of its ozone depletion potential.

Loss of MB as a soil and post-harvest commodity fumigant will adversely affect crop production in the United States and export/import trade between the U.S. and its trading partners. The development of alternative technologies to the use of MB is one of USDA's highest research priorities.

The Agricultural Research Service (ARS) of USDA carries out a \$7.4 million research program (FY 1993) on MB alternatives at a nationwide network of research laboratories in fifteen States. An additional \$1 million is planned for FY 1994, for a total of \$8.4 million. ARS research programs in Florida on MB alternatives are:

**FY 1993 Base Program**

**Orlando, Florida**

Soil-borne diseases of citrus: detection and control \$ 204,000  
 Post-harvest quarantine treatment of fruits and vegetables for pest disinfection \$ 361,000

**Miami, Florida**

Post-harvest quarantine treatment of fruits and vegetables for pest disinfection \$1,232,000

**FY 1993 Total \$1,797,000**

**FY 1994 Program Increase (additional to FY 1993 recurring base program)**

**Orlando, Florida**

Control of soil-borne pests of tomatoes and peppers through development of resistant hosts, biological control agencies, and cultural practices \$ 250,000

**FY 1994 Total \$2,047,000**

B.B. Knipling  
 USDA/ARS  
 November 8, 1993

THE WHITE HOUSE  
WASHINGTON

November 16, 1993

Dear Tom:

I know you have been a leader in assuring that under NAFTA our fresh vegetable industry is not adversely affected by unforeseen price changes. I strongly believe that the volume-based snapback of the existing agreement, coupled with the automatic price monitoring and the expedited import relief procedure which will be the law after NAFTA is passed will provide very effective price and volume discipline.

I am committed to take the necessary steps to ensure that the USTR and the ITC take prompt and effective action to protect the U.S. vegetable industry against price based import surges from Mexico.

I want you to know that I am personally committed to ensuring that this system is enforceable and effective. It will work to ensure against unfair pricing by importers.

Sincerely,



The Honorable Tom Lewis  
House of Representatives  
Washington, D.C. 20515

O'CONNOR & HANNAN, L.L.P.

ATTORNEYS AT LAW

MINNEAPOLIS OFFICE  
706 SOUTH SECOND AVENUE  
700 BAKER BUILDING  
MINNEAPOLIS, MN 55402-2254  
(612) 341-1800  
FAX (612) 343-1256

SUITE 800  
1919 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20006-3483  
(202) 887-1400  
FAX (202) 466-2198  
FAX (202) 466-3215

MADRID OFFICE  
LA RINCONADA, 6, 3<sup>o</sup>  
28023 MADRID, SPAIN  
(011) 341 575-0944  
(011) 341 357-2251  
FAX (011) 341 577-0759

JOHN M. HINGELBERG

August 25, 1997

Honorable Joe Scarborough  
127 Cannon House Office Building  
1st & Independence Avenue, S.E.  
Washington, D.C. 20515-0901

ATTENTION: Bart Roper

Dear Congressman Scarborough:

The Florida Tomato Exchange (FTE) has written to, and spoken with, you directly and with other agricultural groups from Florida concerning the upcoming debate on fast track.

We have heard that the multinationals and the "major" farm groups are joining forces to extol the many benefits of fast track and of NAFTA. While some, maybe even many, have benefited from NAFTA, some, maybe even many, have not. The tomato (and other vegetable) growers of Florida have been in the group that have been seriously harmed by NAFTA. The provisions in NAFTA have not provided any assistance to the growers. On the contrary, because NAFTA's language and its implementing legislation offered assistance, we were forced to try each "safeguard" provision. We tried each one and each one failed miserably.

We ask you not to be persuaded by the claims of big business and big agriculture in their multi-million dollar effort to get Congress to support fast track. We ask you to get Congress to address the concerns of the tomato industry (and other industries) which were promised help in NAFTA but didn't get it.

Please recall precisely what was promised to the perishable agricultural industry prior to NAFTA to get the Florida delegation to support NAFTA. And, please recall the specific promise made in writing by President Clinton to help our industry



if NAFTA's provisions didn't work out. Safeguard provisions involving the "Tariff Rate Quota," provisional relief for seasonal tomato and pepper growers, and the tariff phase-out itself didn't work or were emasculated by the unilateral actions of the Mexican government. Our collective, serious efforts to get the Administration to live up to the promises made by the President have had little, if any, meaningful success.

Since NAFTA has begun, collectively Florida agriculture has lost in excess of \$1 Billion (tomatoes alone have lost \$750 Million) and the losses are not due to freezes or longer shelf-life tomatoes. For tomatoes, the losses are clearly due to the dumping of Mexican tomatoes in the U.S. market as determined by the U.S. Department of Commerce. The primary cause of the injuries to Florida agriculture is NAFTA and its ineffectual safeguard provisions.

We firmly believe that Congress needs to address these specific problems now before it takes on any new trade agreements and before it takes on consideration of giving up its authority on fast track for new trade agreements.

We trust you agree and will join with the other members of the Florida delegation to force these issues to be addressed and fixed before you agree to support fast track for other agreements. This is a very serious issue for all of Florida agriculture, and its future may well be determined by how successful the delegation is in getting workable solutions to these issues now. It is no exaggeration to say that the future of our industry is in your hands. We will fight with you every step of the way to help the growers and their families.

Sincerely yours,

John M. Himmelberg

cc: Wayne Hawkins  
Executive Vice President  
Florida Tomato Exchange



## 2. Promises Made on Wine

In order to secure the votes of certain California representatives for NAFTA, the Clinton Administration and the government of Mexico agreed to pursue accelerated reductions of tariffs on wine.<sup>17</sup>

The *Wall Street Journal* now reports that the Wine Institute, representing 450 wineries and affiliated businesses, is opposing the Clinton Administration's request for renewed fast track authority, in part because Mexican tariffs on California wine were not reduced.<sup>18</sup> "If fast track becomes a referendum on NAFTA, [the Administration] could lose," wrote the *Journal*, "because many industries feel the administration has failed to live up to promises made during deliberations on [NAFTA]." <sup>19</sup>

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<sup>17</sup> Exchange of letters between Mickey Kantor, U.S. Trade Representative, and Jaime Serra Puche, Mexican Secretary of Commerce, November 3, 1993, and letters from Rep. Eshoo (D-CA), Rep. Baker (R-CA), Rep. Brown (D-CA), Rep. Doolittle (R-CA), Rep. Lehman (D-CA), Rep. Mineta (D-CA), Rep. Pombo (D-CA), and Rep. Royce (R-CA), to U.S. Trade Representative Mickey Kantor, October 4, 1993.

<sup>18</sup> "To California Vintners, Promised a Rose Garden, Fast-Track Bill Is Wreathed in Grapes of Wrath," Greg Hitt, *Wall Street Journal*, October 6, 1997, p. A-24.

<sup>19</sup> "To California Vintners, Promised a Rose Garden, Fast-Track Bill Is Wreathed in Grapes of Wrath," Greg Hitt, *Wall Street Journal*, October 6, 1997, p. A-24.



Congress of the United States  
House of Representatives  
Washington, D.C. 20515

October 4, 1993

The Honorable Mickey Kantor  
U.S. Trade Representative  
Winder Building  
600 Seventeenth Street, N.W.  
Washington, D.C. 20506

Dear Ambassador Kantor:

As Members of the California Congressional Delegation who have not made a final determination on the North American Free Trade Agreement, we write once again to raise an issue that greatly affects our state: the inequitable treatment of wine and brandy in the NAFTA.

As you know, the NAFTA text as negotiated imposed two major inequities on the U.S. wine industry. First, the tariff cuts on wine coolers and brandy are not reciprocal. While the U.S. tariff on Mexican imports would be eliminated immediately, the 20% Mexican duty on U.S. wine coolers and brandy would only be phased out over six and ten years respectively.

Even more unfair to our wine industry are the more favorable wine, wine cooler and brandy provisions granted to Chile within the Mexico-Chile trade agreement implemented last year. In 1996, when U.S. products under NAFTA would still be paying 14% duty, Chilean wine and brandy will be entering Mexico entirely duty-free.

Our concerns can be resolved now, prior to the vote on the NAFTA, without reopening the agreement by having you and your Mexican counterpart agree in writing to an accelerated tariff reduction schedule. We request that you do so. Specifically, the Mexican tariff on U.S. wine should be reduced to the level of its tariff on Chilean wine. Also, U.S. brandy and wine coolers should be accorded the same duty free treatment that Mexican brandy and wine coolers are scheduled to receive entering the U.S. The resolution of our concerns will eliminate an important problem that currently prevents our support.

Best regards,

Anna Eshoo

With Reps. Baker, Brown, Doolittle, Lehman, Mineta, Pombo, Royce



# To California Vintners, Promised a Rose Garden, Fast-Track Bill Is Wreathed in Grapes of Wrath

A-44 By GREG HITT 12-6-97  
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — President Clinton hopes this is a vintage year for fast track, but California's winemakers aren't cooperating.

Though they favor free trade and are all for boosting exports, California's vintners aren't getting behind Mr. Clinton's request for fast-track negotiating authority.

It's more than sour grapes. For them, it's about the North American Free Trade Agreement and unfulfilled promises. Back in 1993, the Wine Institute, which represents Ernest & Julio Gallo Wine, Beringer Wine Estates and many other export-minded California vintners, lobbied for Nafta's passage after winning a pledge from Mickey Kantor, then the U.S. trade representative, to negotiate lower Mexican tariffs. Mr. Kantor didn't come through. Now the vintners, in visits to Capitol Hill, are questioning the wisdom of giving Mr. Clinton the opportunity to build on Nafta. "We have given more than our fair share," says Robert Koch, the Wine Institute's top Washington lobbyist.

The dispute reflects a broader problem for the president: If fast track becomes a referendum on Nafta, Mr. Clinton could lose, because many industries feel the administration has failed to live up to promises made during deliberations on the Mexican agreement. California's cattlemen, for example, are raising those kinds of concerns, as are tomato growers in that state and Florida.

All of this helps explain why Clinton-administration officials are reluctant to raise the Nafta precedent in the current debate, even though Nafta was negotiated using fast-track authority. The administration instead focuses on fast track as a process that expedites consideration of future agreements in Congress, while emphasizing the importance of opening new markets to maintaining economic growth. Under fast track, Congress can't amend a trade pact; it must vote yes or no on the whole agreement.

The Senate Finance Committee approved a fast-track bill last week, and the House Ways and Means Committee is expected to vote Wednesday on its version of the initiative. But overall, members of Congress haven't rallied to the fast-track flag. In the Senate, fast-track supporters worry about their ability to overcome a filibuster on the floor. In the House, Republicans are divided, and GOP leaders say they'll need 70 to 90 Democrats to ensure passage. Free-trade Democrats say they can deliver about 50, though far fewer are publicly committed at this point, amid the opposition of unions and House Minority Leader Richard Gephardt (D., Mo.). "Raw politics takes over with members," says Commerce Secretary William Daley.

business interests linking fast track unfavorably to Nafta. In fact, a coalition of California agriculture interests, many of them taking stands at odds with affiliated national organizations, is urging caution. The California Cattlemen's Association, which supported Nafta and the Uruguay Round's world-wide trade pact, isn't satisfied that markets in Mexico, Canada and Europe are as open as had been promised.

California's tomato growers are upset, too, as are those in Florida. They received assurances from Mr. Kantor during deliberations on Nafta that action would be taken to avert import surges, but they contend that the steps taken were of little value. And that view is fostering distrust about fast track. "It's not something our members would go along with, based on our experience with Nafta," says Ray Gilmer, a spokesman for the Florida Fruit and Vegetable Association.

Rep. Karen Thurman, a Florida Democrat on the Ways and Means Committee, is considered a potential supporter by fast track's allies. But she opposed Nafta and knows a vote for fast track would be risky in her rural district. "I understand the particulars of the state of Florida," she says.

The winemakers arguably have the most to lose under fast track, since Mr. Clinton's first deal almost certainly will be with Chile, a major competitor.

California's vintners won a written promise by Mr. Kantor to "personally negotiate the immediate reduction of Mexican tariffs," putting U.S. wine exporters on a competitive footing with Chile in the Mexican market. The negotiations didn't bear fruit, and Mexican tariffs on wine products are actually higher today than provided for under Nafta because a separate fight over Mexican-made brooms led

to a round of retaliatory tariff increases.

John De Luca, president of the Wine Institute, admits the whole exercise is about leverage. "We're respectful, but we're telling people it's a political process," he says.

Absent explicit action on the unfulfilled promises, Mr. De Luca and lobbyist Mr. Koch, who is a former top aide to Rep. Gephardt, suggest that language be incorporated into the fast-track bill that would push U.S. negotiators to bring down foreign tariffs to U.S. levels before agreeing to further reductions in U.S. tariffs.

The Finance Committee's fast-track bill includes no such provision, but the Ways and Means Committee may be more receptive. Rep. Bill Thomas (R., Calif.) is tending the issue, and he's got the ear of Chairman Bill Archer (R., Texas), who insists he is disturbed by the industry's problems.

Mr. Archer promises to toughen up the bill but is reticent about appearing to favor one industry over another. "We need California votes," he says, acknowledging the importance of the issue to California's large House delegation, "but there are other considerations. We have to be careful we don't open the door up to every other sector."

If the bill moves to the House floor, however, Mr. Archer will be under increasing pressure to cut deals, reflecting industry concerns, in order to round up votes for passage. And amid the deal-making, the fast-track naysayers will continue to harp on Nafta.

"My confidence is shaken," says Rep. Gary Condit, a California Democrat who doesn't trust the administration to make a trade deal favorable to the wine industry.

—Bob Davis  
continued to this article.

### *3. Promises Made on Citrus*

The Clinton Administration promised Florida Representatives that it would take care of the citrus and frozen orange juice industry. The relief was to take the form of an expedited "tariff snapback," that is, pre-NAFTA tariffs would be quickly re-imposed on Mexican imports in the event of an import surge which drove down prices.<sup>20</sup>

However, citrus producers say that "after three years of NAFTA, Florida citrus is still not even allowed into Mexico."<sup>21</sup>

**The Florida Citrus Commission is opposed to President Clinton's request for renewed fast-track authority.** "The suggested fast track legislation...would devastate the Florida citrus industry...industry support for this legislation would be committing industrial suicide."<sup>22</sup> The citrus industry opposes any reduction in the import tariff for competing foreign producers who benefit from lower labor and environmental standards, especially Brazil.<sup>23</sup>

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20 "Wheeling, Dealing to Assure a Victory," Steve Komorow, USA Today, November 18, 1993.

21 Letter to the Florida Congressional Delegation from the Florida Citrus Commission, Howard Sorrels, Chair, September 8, 1997.

22 Letter from the Howard E. Sorrels, Chairman, Florida Citrus Commission, September 30, 1997.

23 Letter from the Howard E. Sorrels, Chairman, Florida Citrus Commission, September 30, 1997.





# news release

## Congressman **TOM LEWIS**

16th District, Florida

2351 Rayburn H.O.B.  
Washington, D.C. 20515  
(202) 225-5792

Contact: Karen Hogan  
(202) 225-5792



**FOR IMMEDIATE RELEASE**  
Tuesday, November 16, 1993

### LEWIS ANNOUNCES SUPPORT OF NAFTA

WASHINGTON - Congressman Tom Lewis today announced his support of the North American Free Trade Agreement (NAFTA), declaring that the concerns of Florida agriculture had been dealt with in a binding and substantive manner. Lewis commended the Administration for addressing issues affecting Florida's citrus, sugar, and winter vegetable producers, and for shaping the old NAFTA into an agreement that would guarantee fair competition for Florida's growers and producers.

"I have long been opposed to passage of the NAFTA based on its potential damage on Florida's six billion dollar agricultural industry," said Lewis. "However, solutions have been successfully negotiated and completed to ensure that Florida farmers will be treated fairly under the NAFTA."

Lewis acknowledged that the signed agreements dealing with citrus and sugar trade satisfied his concerns and afforded the necessary amount of fair competition for Florida producers. Lewis' previous opposition to the NAFTA was based on studies finding that up to 50,000 jobs could be lost in the agricultural sector in Florida under the old NAFTA. However, he stated that he believes the new agreement that will not cause job loss.

"While I was in the category of people who used to say 'not this NAFTA,' I believe we crafted a new agreement that will benefit Florida and all of America," Lewis said. "I have full confidence that America and Florida can compete with anyone globally, and look toward the future with hope, not fear, about the effects of free trade."



FLORIDA  
OF CITRUS

Zip Code 33802-0148  
• Lakeland, Florida 33801



EXECUTIVE DIRECTOR  
DANIEL L. SANTANGELO  
Phone: 941/499-2500  
Fax: 941/284-4300

FLORIDA CITRUS COMMISSION  
HOWARD E. SORRELLS, Chairman

September 30, 1997

Dear :

On behalf of the Florida Citrus Commission, the state of Florida's representative of all segments of Florida's citrus industry and its 12,000 citrus growers, we are writing to express our opposition to the Administration's fast-track bill submitted to Congress on September 16th.

As you know, citrus is Florida's second leading industry with over an \$8 billion economic impact on the state of Florida. The industry is also responsible for maintaining over 100,000 jobs, both directly and indirectly throughout the entire state. These jobs provide the backbone of the Florida economy and should not be overlooked during the upcoming fast-track debate.

The Florida citrus industry has in the past and continues to support the concept of *free trade* which is more accurately referred to as *fair trade*. However, past experiences in trade agreements have failed to provide Florida growers with a level playing field in the international arena. Furthermore, the citrus industry has not been granted access to markets like China, and Australia, even when Australian oranges are on the supermarket shelf here in America.

Therefore, the Florida Citrus Commission will continue to oppose any fast-track legislation submitted to Congress unless:

- 1) There will be no further tariff reduction on Frozen Concentrated Orange Juice (FCOJ) from Brazil beyond our already negotiated reduction under the Uruguay Round.
- 2) Competitive disadvantages associated with lower environmental and labor standards are effectively addressed prior to trade negotiations with major citrus producing countries in the Western Hemisphere.
- 3) Market access issues for Florida citrus are completely resolved worldwide and under the North American Free Trade Agreement.

The suggested fast-track legislation, which does not address the criteria noted above, would devastate the Florida citrus industry. Thus, industry support for this proposed legislation would be committing industrial suicide.

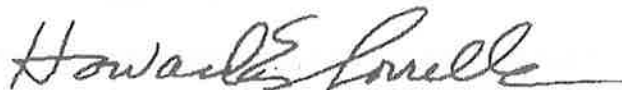
Over the years, Florida growers have invested a significant portion of their on-tree returns to foster the development of the domestic market. This has translated into the United States having the highest consumption of orange juice in the world. The tariff established on frozen concentrated orange juice, which is being reduced under the current WTO agreement, represents the difference in the costs of production between the U. S. and Western Hemisphere countries with significant citrus production, but lower environmental and labor standards. With an elimination of the tariff on FCOJ and an unfair trading regime with countries such as Brazil, the investment of the Florida grower would be unilaterally eliminated, jeopardizing the viability of an extremely important sector of Florida's economy.

As you will recall, in September the Commission expressed its concerns over proposed fast-track legislation to be considered by Congress. Unfortunately none of these concerns were addressed by the Administration in the bill submitted for your consideration. For instance, after three years of NAFTA, Florida citrus is still excluded from Mexico.

We appreciate the concern that the Florida Congressional Delegation has shown for the agricultural industry during this fast-track debate and would respectfully request that the concerns of our citrus industry be properly addressed in the upcoming fast-track debate in Congress.

If you have any additional questions or concerns please do not hesitate to contact Dan Santangelo, the Executive Director of the Department of Citrus, at 941-499-2500. Thank you in advance for your consideration.

Sincerely,



Howard E. Sorrells  
Chairman,  
Florida Citrus Commission

#### *4. Promises Made on Durum Wheat*

In a November 15, 1993 letter to a representative of a wheat producing state, the Clinton Administration undertook to investigate the issue of Canadian subsidies to wheat growers.<sup>24</sup> At the time North Dakota agricultural officials were skeptical that the Clinton Administration's promises would do them any good since a similar commitment from the Reagan Administration under the Canada-U.S. Trade Agreement had turned out to be useless. "What we had thought was protection, was simply a series of hollow promises. The hortatory language in the Statement of Administrative Action and Implementing Act ended up as meaningless words on paper," wrote Sarah Vogel, North Dakota Commissioner of Agriculture at the time NAFTA was passed.<sup>25</sup>

According to congressional staff, the investigation did happen but it served merely as a temporary Band-Aid to a problem which is now worse than before.<sup>26</sup> The investigation found that "Canadian imports did cause material interference" and a one year agreement to limit the Canadian imports was imposed. The one year limit expired in September 1995. "The problem persists," says a congressional staffer from an affected state. "After a two year hiatus the imports coming in have increased rapidly and US farmers are being negatively impacted."<sup>27</sup>

In addition, the Clinton Administration agreed in the Uruguay Round to eliminate the mechanism under which this investigation was completed.<sup>28</sup>

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24 Letter from President Bill Clinton to Oklahoma Representative, November 15, 1993 to Representative Glenn English.

25 Letter from Sarah Vogel, Commissioner of Agriculture, State of North Dakota, to Karen Lehman, Institute for Agriculture and Trade Policy, November 17, 1993.

26 Michael Smart, Legislative Director for Congressman Pomoroy, interview, October 16, 1997.

27 Michael Smart, Legislative Director for Congressman Pomoroy, interview, October 16, 1997.

28 Michael Smart, Legislative Director for Congressman Pomoroy, interview, October 16, 1997.





THE WHITE HOUSE

WASHINGTON

November 15, 1993

Dear Glenn:

I want to respond to the concerns you raised regarding the trade of wheat and the North American Free Trade Agreement (NAFTA).

Our mutual objective is to create a free and fair environment for the trade of wheat in North America. I am committed to making the NAFTA a reflection of the realities of the North American wheat market and ensuring that the benefits of the Agreement will accrue to U.S. wheat producers as intended. I know American wheat farmers would welcome a North American market free of barriers and distortions.

I am, therefore, instructing the Secretary of Agriculture to begin discussions with the Canadian government to seek to remedy the negative effects of their subsidy practices, including transportation subsidies and Canadian Wheat Board pricing practices (such as, the pricing of milling quality wheat). I am also requesting the United States International Trade Commission (USITC) to commence, in 60 days, an investigation under Section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) to make findings and recommendations as to whether imports are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the wheat program of the Department of Agriculture. Such investigation is to begin unless I notify the USITC that, as a result of our consultations with Canada, and subsequent Canadian actions, an investigation is unnecessary.

With respect to end use certificates, NAFTA implementing legislation mandates the Secretary of Agriculture to require such certificates for wheat and barley imports from a country that itself requires end use certificates for those grains. The purpose of this requirement is to ensure that foreign agricultural commodities do not benefit from U.S. export programs. I am instructing the secretary of Agriculture to act quickly to implement this requirement, and to make certain that it is effectively administered.

We are also working with the Government of Mexico to ensure wheat trade in North America is not distorted by unfair subsidy

page 2

practices, and trade remedy laws will be effectively utilized to deal with this problem. In that context, it is my intention that the working group we are requesting be created under the NAFTA, to deal with issues relating to North American wheat trade, meet at least quarterly to review pricing and other policies that affect wheat trade in North America. We will also request that the Working Group on Agricultural Subsidies give particular attention to the elimination of all export subsidies affecting wheat trade between the parties.

I trust that these commitments will permit you to support enactment of NAFTA implementing legislation.

Sincerely,

A handwritten signature in cursive script that reads "Bill Clinton". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Glenn English  
House of Representatives  
Washington, D.C. 20515

## 5. *Promises Made on Cut Flowers*

The Administration promised cut flower growers and interested congressional representatives to review the issue: that is, that the Department of Agriculture would monitor imports and exports of cut flowers.<sup>29</sup>

However, representatives of the cut flower industry say they now are being literally decimated by unfair trade in cut flowers from Latin American countries.<sup>30</sup> In particular, cut flowers enter the U.S. from Ecuador and Columbia duty free; the domestic industry has also been hurt by imports of Mexican roses.<sup>31</sup> According to the Floral Trade Council and the California Cut Flowers Council, every year 10% of the U.S. producers are driven out of business by low-wage foreign competition.<sup>32</sup>

According to Betty Stone of the California Cut Flowers Commission, the majority of the California growers are Asian-American family farmers. Many of them are second-generation Japanese-Americans whose parents lost their lands during the World War II internment of Japanese-Americans; ironically, their children are in danger of losing their land due to the federal government's failed trade policy.<sup>33</sup>

The President's "refusal to address a debilitating trade arrangement" that is decimating the U.S. cut flower industry was one of two key reasons for opposition to the President's fast track proposal recently cited by Sam Farr (D-CA), who supported NAFTA in 1993 after obtaining assurances.

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29 "The Secretary of Agriculture shall collect and compile" information regarding acreage, prices, and quality of cut flower imports into the U.S. from Mexico. North American Free Trade Agreement, implementing legislation, Subtitle B, section 321(e).

30 Interview with Will Carlson, Floral Trade Council, October 16, 1997.

31 Interview with Betty Stone, California Cut Flowers Council, October 16, 1997.

32 Interview with Will Carlson, Floral Trade Council, October 16, 1997. See also "Why I Oppose Fast Track," Representative Sam Farr, October, 1997.

33 Interview with Betty Stone, California Cut Flowers Council, October 16, 1997.





From the NAFTA  
implementing  
legislation

5                   **Subtitle B—Agriculture**

6   **SEC. 321. AGRICULTURE.**

143

27

1       quest consultations in the Working Group on Emer-  
2       gency Action, established in the Understanding Be-  
3       tween the Parties to the North American Free  
4       Trade Agreement Concerning Chapter Eight—  
5       Emergency Action, if imports of peanuts exceed the  
6       in-quota quantity under a tariff rate quota set out  
7       in the United States Schedule to Annex 302.2 of the  
8       Agreement concerning whether—

9                   (A) the increased imports of peanuts con-  
10       stitute a substantial cause of, or contribute im-  
11       portantly to, serious injury, or threat of serious  
12       injury, to the domestic peanut industry; and

13                   (B) recourse under Chapter Eight of the  
14       Agreement or Article XIX of the General  
15       Agreement on Tariffs and Trade is appropriate.

16       (e) **FRESH FRUITS, VEGETABLES, AND CUT FLOW-**  
17       **ERS.—**

18                   (1) IN GENERAL.—The Secretary of Agriculture  
19       shall collect and compile the information specified  
20       under paragraph (3), if reasonably available, from  
21       appropriate Federal departments and agencies and  
22       the relevant counterpart ministries of the Govern-  
23       ment of Mexico.

24                   (2) DESIGNATION OF AN OFFICE.—The Sec-  
25       retary of Agriculture shall designate an office within

1 the United States Department of Agriculture to be  
 2 responsible for maintaining and disseminating, in a  
 3 timely manner, the data accumulated for verifying  
 4 citrus, fruit, vegetable, and cut flower trade between  
 5 the United States and Mexico. The information shall  
 6 be made available to the public and the NAFTA Ag-  
 7 riculture Committee Working Groups.

8 (3) INFORMATION COLLECTED.—The informa-  
 9 tion to be collected, if reasonably available,  
 10 includes—

11 (A) monthly fresh fruit, fresh vegetable,  
 12 fresh citrus, and processed citrus product im-  
 13 port and export data;

14 (B) monthly citrus juice production and  
 15 export data;

16 (C) data on inspections of shipments of cit-  
 17 rus, vegetables, and cut flowers entering the  
 18 United States from Mexico; and

19 (D) in the case of fruits, vegetables, and  
 20 cut flowers entering the United States from  
 21 Mexico, data regarding—

22 (i) planted and harvested acreage; and

23 (ii) wholesale prices, quality, and  
 24 grades.

25 (f) END-USE CERTIFICATES.—

SAM FARR  
17TH DISTRICT, CALIFORNIA

COMMITTEE ON AGRICULTURE  
SUBCOMMITTEE:  
LIVESTOCK, DAIRY AND POULTRY  
RESOURCE CONSERVATION, RESEARCH AND  
FORESTRY

COMMITTEE ON RESOURCES  
SUBCOMMITTEE:  
FISHERIES, WILDLIFE, AND OCEANS  
WATER AND POWER  
DEMOCRATIC REGIONAL WHIP

1117 LONGWORTH BUILDING  
WASHINGTON, DC 20515-0617  
(202) 225-7061

DISTRICT OFFICES  
380 ALVARADO STREET  
MONTEREY, CA 93940  
(408) 849-3555  
100 WEST ALisal  
SALINAS, CA 93901  
(409) 424-2229  
701 OCEAN STREET  
ROOM 318  
SANTA CRUZ, CA 95060  
(408) 429-1978

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-0517

Dear Colleague:

**WHY I OPPOSE FAST TRACK**  
**Rep. Sam Farr**  
**October, 1997**

I Will Vote 'No'

Fast track has been the subject of much debate and discussion, not just inside the Beltway but across the country. In my own district, many of my constituents have told me they that will benefit from new trade agreements reached with fast track; others have said that fast track ignores important global issues such as worker rights or environmental pollution.

I support free trade. But free trade can't exist unless it is based on fairness. Fair trade means making deals for the United States that do not put our working men and women, our manufacturers and producers, and our quality of life at risk.

Fair trade demands negotiators who are true to the country's needs as a whole. No one sector should benefit more -- or less -- than another. 'Trade offs' should not be part of trade agreements.

When fast track is brought up for a vote this year, I intend to vote 'no', and this is why: it doesn't direct the president to negotiate trade deals in accordance with U.S. labor and environmental standards, thus putting our quality of life at risk. Even more so, I am dismayed by the Administration's failure to engage itself as fully in *all* trade issues as much as it has engaged itself in this singular fast track issue.

Fast Track is not 'NAFTA Revisited'

Four years ago, the NAFTA vote was on legislation implementing a trade agreement negotiated by the president under fast track authority. This year's vote will not be on implementing a trade agreement but on renewing the power of the president to negotiate such agreements.

When NAFTA was voted on, the fast track authority granted to the president did not contain instructions to him to include in the trade agreement provisions relating to the rights of laborers or meeting certain environmental standards. Knowing these issues were a concern to many members of Congress, the president negotiated side-bar agreements to supplement the underlying document. With these side-bars in place, I was convinced NAFTA would, in the long run, be good for the United States. The underlying agreement would open up new markets to our producers and the added-on side-bars would help drive our trade partners to stronger labor and environmental protections. I felt comfortable with my vote; I felt that given the constraints of the fast track authority at the time, the president had made reasonable efforts to protect American producers, American consumers and the American quality of life.

Fast Track Authority: What it Was, and What it Can Be

The fast track authority that has expired and needs renewing was inadequate to the demands of NAFTA; thus the need to negotiate side-bars. We now have an opportunity to change that. We can make fast track authority better, stronger. The bill the President is supporting includes precise language to protect business and banking interests, but does not include similarly precise language to protect labor and the environment. It should. If the power to negotiate brings requirements to cut the best financial deal with our trading partners, we ought also to make certain that included in that power are requirements to cut the best workplace and environmental deals with our trading partners.

As the world shrinks and the United States sees itself more and more as part of an interdependent global

economy, it makes sense that we negotiate trade agreements that are right in all respects, not just some. Workplace rights and environmental concerns are part and parcel of what drives the economy.

So now that we have the chance, let's change the way fast track works. Let's give it some clout. Let's give the president the power to do directly what he had to do by side-bar in NAFTA.

### Being Fully Engaged in All Trade Matters

The other -- and maybe more specific -- reason that I will vote 'no' on fast track is that in the four years since NAFTA, I have seen the Administration engage itself in important trade matters here and there, but never consistently.

The Administration argues for the power to negotiate trade agreements that will benefit American producers and the American economy. But I have difficulty granting that power when it has been my experience that the Administration uses that power selectively.

If the United States is to have a trade policy that is free and fair, it demands consistent adherence to those principles. This Administration has not applied those principles consistently and has done so much to the detriment of my district, specifically, and the local Central Coast economy.

I refer to the President's refusal to address a debilitating trade arrangement with Colombia under the Andean Trade Preference Act.

That trade pact gave special privileges to certain Colombian products to enter the United States without tariff. This privilege was granted as an incentive for producers of illegal coca and cocaine to turn to producing legal goods instead, thus reducing or interrupting the flow of drugs from Colombia to the United States. Cut flowers was the commodity introduced to the growers that was to serve as the substitute, legal product.

Unfortunately, this endeavor has not had the intended affect. Cocaine production and trafficking to the United States has increased since the implementation of the Trade Pact. Even worse, is that cut flowers entering the U.S. duty-free from Colombia have overrun the U.S. market -- a market that is centered in my district on the Central Coast of California.

This year, the President decertified Colombia for failing to effectively reduce or eliminate the illegal production of coca and cocaine. Under both decertification law and the Andean Trade Preference Act, the president has the unilateral authority to reimpose the tariffs on cut flowers: one, as a penalty against Colombia for its unwillingness to clamp down on its drug production, and two, as a means to protect an American industry that has been decimated by cheap foreign imports.

The Central Coast has been a world leader in specialty crops and fresh cut flowers in particular, with over \$30 million in sales last year. But we're losing nurseries and jobs to foreign imports, and at a tremendous rate: 10% of California growers, a majority from the Central Coast, go out of business each year. Colombian flowers that are allowed into the United States without any tariff are our biggest competition. No other flower-growing country has that privilege. The President has the legal authority to stop that now. But he is not using it, because he listens to the State Department, rather than American workers and businessowners.

So why should the President be given more authority to make deals potentially for more South American imports, including flowers, fish and wine (other Central Coast products), when he doesn't protect those interests under existing law?

If the Colombian experience is any indication, I do not feel I can trust the Administration to negotiate free and fair trade under fast track and I am unwilling to grant the power to do so.

### The Bottom Line

The upcoming fast track vote is not about reopening NAFTA and its side-bars. It is not about liberalizing trade with one country or another. It isn't necessarily about Colombian cut flowers, either. But it is about making sure the president's trade negotiating authority covers those matters we Americans consider essential to our quality of life and knowing that the president will use them to defend fair trade. When we get fast track right, there won't be room for the environmental uncertainties that arose in the NAFTA debate and there won't be questions about trading with Third World countries despite their labor rights record. There won't be questions about whether the Administration will enforce our trade laws to maintain fairness. We will know these things in advance because the president -- and our trading partners -- will have had to construct a trade agreement consistent with these American standards.



Until the fast track authority explicitly includes these directives, I will not support it. I want to see our Central Coast producers sell their goods overseas. But I want to see them do it under a negotiating process that protects our standards and levels the playing field. Only when we get to that point can I support fast track.

Rep. Sam Farr

TOTAL P.03

## 6. Promises Made on Asparagus

A Republican House Member obtained written assurances from then-USTR Mickey Kantor: "Let me confirm again that I will devote my energies to ensuring that our asparagus farmers remain competitive under NAFTA."<sup>34</sup>

Fresh asparagus imports from Mexico have grown under NAFTA, but U.S. farmers have not found the increase problematic enough to merit a trade action. However, a major swell in imports of frozen asparagus from Peru in the past three years has largely eliminated the U.S. frozen asparagus industry.

After three and one half years of NAFTA, Mexico remains the number one source of asparagus imports. The amount of asparagus imported from Mexico has grown under NAFTA -- from a three year average before NAFTA (91-93) of \$27.1 million to a post NAFTA three year average (94-96) of \$32.8 million. During the post-NAFTA three year period, exports of fresh asparagus have dropped from a peak export level during 1990-1993. The increase in fresh asparagus imports has not caused U.S. asparagus farmers to request specific trade intervention on imports of fresh asparagus and mainly impacts California growers whose season overlaps with Mexico's.

However, a major swell in imports of frozen asparagus from Peru in the past three years has largely eliminated the U.S. frozen asparagus industry. Peru, one of the countries targeted for NAFTA accession, has increased its frozen asparagus imports, cutting a \$10 million a year U.S. industry in the early 1990s to a one million dollar industry in 1996.

"We face a lot of challenges with the third world, particularly the differential in labor costs. Labor costs are a big part of asparagus production," said Mike Harker of Asparagus USA. Asparagus is both picked and processed by hand. In order, top importing countries of asparagus to the U.S. are: Mexico, Peru, Columbia, Chile, and Argentina.

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34 Letter from US Trade Representative Mickey Kantor to Representative Peter Hoekstra, November 10, 1993.

THE UNITED STATES TRADE REPRESENTATIVE  
Executive Office of the President  
Washington, D.C. 20506

NOV 10 1993

The Honorable Peter Hoekstra  
U.S. House of Representatives  
Washington, DC 20515-2202

Dear Congressman Hoekstra:

I appreciate your making me aware of your concerns relating to the potential impact of the North American Free Trade Agreement (NAFTA) on fresh and processed asparagus. Let me confirm again that I will devote my energies to ensuring that our asparagus farmers remain competitive under NAFTA. Asparagus farmers will receive priority attention from my office in the event they are affected by import surges from Mexico.

I look forward to your support in passing the NAFTA and making it a part of the President's overall package of trade reform and job creation.

Sincerely yours,



Michael Kantor

MK:glh



## *7. Promises Made on Trucks*

The Clinton Administration promised to the American Trucking Association that it had obtained Mexico's agreement to allow longer (53 feet) trailers, which are preferred by the U.S. trucking industry, on Mexican roads.<sup>35</sup>

According to the International Brotherhood of Teamsters, these promises never came true. Rather, the Mexican Trucking Association doesn't want the border open at all and would never agree to these conditions.<sup>36</sup> As of today the 53-foot long trailers are still not allowed.

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<sup>35</sup> Interview with Bob Nicklas, International Brotherhood of Teamsters, 10/16/97.

<sup>36</sup> Interview with Bob Nicklas, International Brotherhood of Teamsters, 10/16/97.

## U.S. CUTS TRUCKING DEAL WITH MEXICO, GAINS INDUSTRY NAFTA SUPPORT

The American Trucking Assn. this week announced it had dropped its opposition to the North American Free Trade Agreement and would lobby for NAFTA's passage after the Clinton Administration assured it that Mexico had agreed to allow the use on its territory of the longer trailers favored by the U.S. industry. As part of the deal, Mexico also promised that U.S. trucks in Mexico would be able to obtain fuel that meets U.S. standards upon their return to this country, according to informed industry sources.

The industry declared its support for NAFTA Nov. 10 despite the fact that its demands that the agreement be modified to allow for U.S. investment in Mexican trucking companies were not met, the sources said. The Administration merely committed to seek changes to the restrictions on such investment in the future, according to the sources. The trucking deal solves "about 80 percent" of the industry's problems with NAFTA, which was enough for the ATA to support it, given the other benefits of the agreement, one industry source said.

One industry source asserted early this week that a number of undecided members of Congress, who had been hesitant to support NAFTA in light of the trucking industry's opposition, could have been convinced to support the trade pact as a result of the new trucking deal. But other industry sources speculated that the trucking deal by itself would have been unlikely to sway any members. Trucking companies are spread throughout the country but not concentrated in any particular Congressional district, so that no members have staked their position solely on trucking concerns, one source said.

Some of the industry's concerns regarding the NAFTA were raised to the Administration by House Public Works and Transportation Committee Chairman Norman Minetta (D-CA) and Ranking Minority Member Bud Shuster (R-PA) in an Oct. 22 letter. Minetta, who had been publicly undecided on NAFTA, came out in favor of the agreement after the ATA announced its new position, and voted to ratify NAFTA. Shuster also had been undecided and eventually voted against the pact.

The letter from the two members called for the Administration to change the NAFTA to allow U.S. investment in Mexican companies whose primary business is international rather than domestic hauling. They also urged the Administration to seek assurances from Mexico that the 53-foot trailers favored by U.S. firms would be allowed in Mexico, and to try to harmonize import standards for used trucking equipment. The NAFTA would allow Mexico to retain an import ban on used trucking equipment from the U.S. for 15 years, even though no similar restriction on imports from Mexico exists in the U.S., according to the letter.

The deal struck by the Administration calls for Mexico to end its restriction on the use of 53-foot trailers, which are becoming the trailer of choice in the U.S., according to an industry source. Such trailers are allowed in all of the continental U.S. except for Rhode Island, the source said. The NAFTA allows U.S. trucking companies to ship into Mexican border states beginning at the end of 1995 and anywhere in Mexico by the year 2000. But U.S. truckers would not be able to take full advantage of those concessions without being able to use 53-foot trailers, industry sources said.

Under the new agreement, Mexico would allow the use of 53-foot trailers in a so-called frontier zone, comprising the area within 26 kilometers of the U.S. border as of Jan. 1, 1994, according to the industry sources. By March 1995, Mexico will designate a system of highways on which the trailers can operate throughout the country. These steps will also allow U.S. truckers to transfer their trailers directly to Mexican truckers at the border during the period before they are allowed into the country. Currently the goods from 53-foot trailers must be transferred to smaller Mexican trailers, the sources said.

In addition, Mexico has promised to ensure that when U.S. truckers are allowed into Mexico, they will

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have access to low-sulfur diesel fuel, the use of which is required in the U.S. under the Clean Air Act, according to the sources. U.S. truckers feared that, as Mexico is currently developing standards for cleaner fuels, low-sulfur diesel could be outlawed, or that even if it remains legal it might be unavailable in Mexico. In that case, U.S. truckers could not refuel in Mexico and then return to the U.S. But Mexico promised that low-sulfur diesel would be legal and available, the industry sources said.

The Administration has promised to seek such changes in future talks with Mexico, according to industry sources. The industry objects to NAFTA provisions that allow Mexicans to invest in all U.S. companies, but only allow U.S. investment in Mexican trucking companies which exclusively do international transport. That restriction could completely bar U.S. investment in Mexican trucking companies, a source said.

## 8. Promises Made on Appliances

In order to secure NAFTA votes from the Iowa delegation,<sup>37</sup> the Clinton Administration promised to protect certain appliance companies including Maytag, Amana and Frigidaire.<sup>38</sup> The Administration incorporated into the NAFTA Statement of Administrative Action its promise to ask Mexico to enter future negotiations for faster tariff reduction on appliances.<sup>39</sup> Maytag, Amana and Frigidaire had been concerned that their competitors with large manufacturing capacities in Mexico -- Whirlpool and General Electric -- would have a significant competitive advantage since under NAFTA Mexico would retain high tariffs on appliances (20 percent) which would be phased out slowly.

These firms were mostly concerned about Mexican tariffs on clothes-washers and refrigerators. According to Doug Horstman, vice-president for government affairs for the Maytag Corporation, shortly before the NAFTA vote, company representatives from Maytag, Amana and Frigidaire were told by Clinton Administration officials, "We'll fix that situation (high Mexican tariffs on clothes-washer and refrigerators) once this agreement (NAFTA) is concluded."<sup>40</sup>

Although the United States Trade Representative's (USTR) Office did enter tariff acceleration talks with the Mexican government, they were unable to lower tariffs on refrigerators and clothes-washers. "The U.S. Trade Representative's office brought tariff reduction acceleration to the table," Horstman said, "but once the Mexicans objected they dropped the issue. The USTR had no stomach for a prolonged fight," he said.<sup>41</sup>

USTR was able to lower Mexican tariffs on dishwashers and clothes dryers. However, according to Horstman, the Mexican consumer market for other U.S. made dishwashers and dryers "is virtually nil,"<sup>42</sup> thus this tariff reduction was of little benefit to U.S. industry.

According to John Melle, Director for North American Affairs at USTR, the Administration will try again to reduce tariffs on refrigerators and clothes-washers. It is unlikely that it will be successful.<sup>43</sup> According to Rubin Mata, an analyst with the International Trade Commission, a company representative from Whirlpool's Mexican partner Vitro told Mata that he was on Mexico's appliance tariff negotiating team.<sup>44</sup>

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37 Senator Charles Grassley, Rep. Fred Grandy, Rep. Neal Smith.

38 Interview with Doug Horstman, Maytag Corporation, 10/21/97.

39 NAFTA Statement of Administrative Action, chapter 3, section (B)(2)(c.)

40 Interview with Doug Horstman, Maytag Corporation, 10/21/97.

41 Interview with Doug Horstman, Maytag Corporation, 10/21/97.

42 Interview with Doug Horstman, Maytag Corporation, 10/21/97.

43 Interview with John Melle, Director for North American Affairs, USTR, 10/20/97.

44 Interview with Rubin Mata, International Trade Commission, 10/21/97.



## 9. Promises Made to Protect Broomcorn Brooms

A Republican House Member was promised that the broomcorn broom industry would receive protection if swamped by Mexican imports under NAFTA.<sup>45</sup>

Result: Unlike the tomato industry, where tens of thousands of U.S. jobs have been lost, action was taken to protect this industry which employs very few U.S. workers. However, action was taken under a limited NAFTA safeguards measure<sup>46</sup> which only allows three years of special treatment limited to a 10% tariff increase. Mexico immediately retaliated against the U.S. action with raised tariffs on alcohol and other products the U.S. exports to Mexico, arguing such industry protection is banned under NAFTA. The case is now before a NAFTA Chapter 20 dispute resolution panel which is expected to rule on whether the U.S. safeguards must be eliminated by December of this year.

Less than 500 U.S. workers are employed in the U.S. hand-made natural fiber corn broom industry, which employs a significant number of blind craftsmen. To secure the vote of one House Member, the Administration committed to "ensure the continuing health and survival of the...industry" and included this promise in the NAFTA Statement of Administrative Action.<sup>47</sup> President Clinton promised specifically that "...the Executive Branch will take action consistent with the Agreement (NAFTA) and U.S. law to rectify the situation..."<sup>48</sup>

In September 1996, the U.S. International Trade Commission ruled that indeed the U.S. industry had suffered serious injury sufficient to trigger safeguards under both U.S. domestic law and NAFTA.<sup>49</sup> Immediately, President Clinton ruled out the longer term, more "generous" relief available under the 1974 Trade Act section 302.<sup>50</sup> In December of 1996, President Clinton agreed to use the three year limited "snap back" provision of NAFTA<sup>51</sup> which restored tariffs to pre-NAFTA levels.<sup>52</sup> The industry, unable to open longer term safeguards, has responded by replacing its blind craftsmen with machines that wire the corn stalks to the broom handles. Such mechanization is the only way it can compete with the new Mexican exports with only three years of limited protection.

Mexico quickly retaliated even against these modest safeguards. "We did not want to

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45 "Hobson Believes NAFTA will Benefit Local Area and Ohio," press release from Rep. Dave Hobson, November 11, 1993.

46 NAFTA Article 302

47 NAFTA Statement of Administrative Action, chapter 3, section (B)(2)(d.)

48 NAFTA Statement of Administrative Action, chapter 3, section (B)(2)(d.)

49 "Swept Away by Corn Brooms", Richard Lawrence, *Journal of Commerce*, September 5, 1996.

50 "Swept Away by Corn Brooms", Richard Lawrence, *Journal of Commerce*, September 5, 1996.

51 NAFTA Section 201.

52 From 22% to 33%.



impose retaliatory tariffs, but we felt we had no choice after the U.S. move," said then Mexican Trade Undersecretary Jaime Zabludovsky.<sup>53</sup> The usefulness of any promised snap back protection under NAFTA is called into question with this Mexican retaliation move. The *Journal of Commerce* noted that "The broom case, incidentally, demonstrates the limited relief that Section 302 of the NAFTA."<sup>54</sup>

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53 "Spirit of NAFTA is Swept Under the Carpet, Leslie Crawford and Nancy Dunne, *Financial Times*, December 19, 1996.

54 "Swept Away by Corn Brooms", Richard Lawrence, *Journal of Commerce*, September 5, 1996.

From the NAFTA B. ACTION REQUIRED OR APPROPRIATE TO IMPLEMENT NAFTA  
Statement of  
Administrative  
Action, Chapter 3,  
section (B)(2)(d.)

2. Administrative Action

d. Broomcorn Brooms

The Administration will carefully monitor U.S. imports of broomcorn brooms from Mexico ("Mexican brooms") once the Agreement enters into force. If the elimination of tariffs under the Agreement results in increased imports of Mexican brooms and causes or threatens to cause serious injury to U.S. producers of such brooms, the Executive Branch will take action consistent with the Agreement and U.S. law to rectify the situation. Moreover, the Executive Branch will consult with the Congress concerning any developments with respect to imports of Mexican brooms to ensure the continuing health and survival of the U.S. broomcorn broom industry.

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### *10. Promises Made on Textiles and Apparel*

The domestic textile and apparel industry has been one of the hardest hit by low-wage imports in recent years. In the last 28 months the U.S. apparel industry lost 158,000 jobs. Over the same period the textile industry lost 73,000 jobs. Meanwhile, from 1993 to 1996, apparel imports from Mexico to the United States have more than doubled in volume. "Apparel and Other Textile Products" is the largest category of workers certified as having lost jobs due to NAFTA, accounting for more than 20% of the certifications through April.<sup>55</sup>

To obtain support for NAFTA in November 1993 from four Representatives of states with significant employment in the textile and apparel sectors, the Clinton Administration promised to negotiate for a 15-year, rather than a 10-year, phaseout of American textile quotas in talks then underway on the Uruguay Round of the General Agreement on Tariffs and Trade.<sup>56</sup>

In fact, in December 1993, U.S. negotiators accepted a 10-year phase-out of American textile quotas.<sup>57</sup>

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55 U.S. Department of Labor, NAFTA Transitional Adjustment Assistance Program, Certifications by Industry, February 3, 1994, through April 4, 1997. Cited in "Business Frontier," Federal Reserve Bank of Dallas, Issue 1, 1997.

56 Letter from President Bill Clinton to Representative John M. Spratt, Jr., November 16, 1993.

57 "Trade Pact Negotiations Come to End," *The Washington Post*, December 17, 1993.





THE WHITE HOUSE

WASHINGTON

November 16, 1993

Dear John:

Thank you for your letter of November 10 concerning the Uruguay Round, NAFTA and questions concerning Customs Service enforcement of trade agreements affecting textiles and apparel. While I appreciate your concerns, I believe NAFTA will be a strong, positive opportunity for the textile and apparel industries and workers of the United States.

Let me respond to each of the points you have raised. First, regarding the enforcement of NAFTA, we believe the Customs Service procedures set out in the agreement are one of its strongest features, and a major improvement over the provisions of the U.S. - Canada Free Trade Agreement. I can assure you that I am committed to effective enforcement of NAFTA, and I am happy to work with your specific suggestions in order to ensure that you and other members are satisfied that the agreement will be properly implemented.

In response to your request regarding Customs Service funding, I can assure you that we will dedicate an additional \$15 million supplement to the enforcement of textile and apparel regulations and rules, as well as related competitiveness trade matters. A substantial majority of these funds will be used for an increased number of audits, criminal investigations, identification of high risk shipments and "Jump Team" activities. Out of these added funds, Customs will provide for an additional 50 import specialists, agents, and inspectors to work exclusively, to the extent practical under the circumstances, on textile/apparel enforcement other than NAFTA. I will ensure that the Customs' commercial program associated with both the enforcement of NAFTA and other textile and apparel enforcement will be held harmless from our government-wide effort to reduce employment levels.

With respect to NAFTA enforcement efforts, I can pledge to you that the Customs Service will hire 136 new employees, fifty of whom will be dedicated to enforcing textile and apparel rules and regulations. Many of these new employees will be stationed along the Southwest border to handle the increased activity produced by NAFTA. Others will be placed where they can best be used to enhance our trade enforcement efforts.

Assuming NAFTA is passed, Secretary Bentsen assures us that we will have at least 50 new auditors, 41 import specialists, 25 additional agents, 10 new analysts and 10 new inspectors. These

personnel are being recruited to improve our ability to ensure that our Customs rules, including particularly the rules of origin for textiles and apparel, are enforced.

The other suggestions you have made are within the administrative authority of the Customs Service, and I am pleased to consider implementation of your suggestions, with some minor modifications, as a way to ensure the integrity of the NAFTA agreement. The Customs Service will commit to issuing by April 1, 1994 proposed regulations on your suggestions for extension of the redelivery period, changes to the mitigation guidelines and issuance of certificates of origin/textile declarations on non-NAFTA qualifying shipments. Naturally, these proposed regulations would have to be subject to the normal administrative and legal procedures for issuing proposed regulations. But you should know that I am less certain of the merits of the suggestion for submission of these certificates "well in advance" of the goods arrival. This proposal must be reviewed with an awareness of possible burdens on the importing community.

Also Customs would be prepared to establish through a directive the necessary procedures for all U.S. Customs Districts, as well as foreign offices, to provide a monthly report to the Commissioner on all textile transshipment cases under investigation; and all results from Jump Team reports; seizures and shipments denied entry including the quantity and value of such shipments; and any indictments or fines and penalties with all appropriate details concerning the violation. As you are aware, U.S. Customs and the Committee for the Implementation of Textile Agreements (CITA) have recently signed a Memorandum of Understanding (MOU) detailing the types of information that will be provided in transshipment cases. U.S. Customs is committed to providing as much information as possible through this new procedure.

As to the Uruguay Round, I appreciate the difficulties faced by the textile and apparel sector in that negotiation. I am quite aware of the difficulty in asking the textile and apparel industries to agree to the phased elimination of the quota system and substantial tariff cuts simultaneously.

First, you mentioned the transition period for the phase out of the Multifiber Arrangement and the implications for many nations, given the dominance of countries such as China in the marketplace. Let me note that we have pursued a very aggressive posture toward China in our bilateral textile discussions with them, due to the difficulties we are having with transshipment and overshipments from China. In addition, China would not be afforded the increased growth in its quotas provided for in the draft Uruguay Round agreement unless and until it becomes a full member of the General Agreement on Tariffs and Trade and agrees to open its markets to U.S. textiles and apparel.

With respect to the duration of the phase-out period, I can



pledge to you that we will do all we can to achieve the longest possible phase-out period. I will ask Ambassador Kantor to explore the prospect of a 15-year phase out with those nations that you believe favor it, such as the ASEAN and Caribbean nations and Ireland. If we find sufficient support among these nations for a 15-year phase-out period, we will put on the table, with their support, a proposal for a 15-year phase out, and will seek to negotiate acceptance of such a proposal. Failing that, we will work for acceptance of the longest-possible phase-out period that we believe can be achieved.

Second, we intend to work closely with the affected industry groups to ensure that the impact of the Uruguay Round is eased to the maximum extent possible, including specifically addressing the question of gradual and even staging of tariff reductions and quota integration. With respect to tariffs, this Administration has made it clear that the tariff cuts for textiles and apparel must be phased in over a longer period than many of the other tariff cuts in this Round and we have insisted that the tariff cuts should be staged over a period at least as long as the phase out of the MFA. As I mentioned, I do recognize and appreciate that the U.S. textile and apparel sector has been asked to make substantial concessions in the Uruguay Round, and I am sympathetic to this request.

With respect to the integration of textiles and apparel into the GATT, we do not intend to integrate sensitive products until the end of the phase-out period. We will examine very carefully the sensitivity of products in our market, and we will work with the industry and interested members of Congress to determine which products should be left for integration at the end of the phase-out period.

Third, I am informed that the U.S. and EC industries have tried to put aside their differences on the subject of wool tariffs, and to work to find common ground and I do commend the industries for their leadership. While the EC Commission has not accepted at this point that the industry's discussions on the tariff issue merits their agreement, I would note that these discussions are still ongoing. If the industry's efforts are ultimately successful, we will work with the U.S. interests to ease to the extent possible the impact of any agreed-upon tariff cuts and would not anticipate going substantially beyond our current proposals on sensitive products.

Finally, we fully agree that effective market access commitments must be made by countries participating in the Round, both to reciprocate for our agreement to the phased elimination of the Multifiber Arrangement and to fulfill the commitment entered into at the outset of the Round that all participants would bring all measures under the discipline of the GATT. We are working diligently in bilateral market access negotiations to attain this goal, and have specifically proposed that tariffs be lowered and bound to levels no higher than 7.5 percent for man-made fibers, 15 percent for yarns, 30

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percent for fabrics and made-up products and 35 percent for apparel in order to demonstrate that market access has been provided. We have insisted, and will continue to insist, that our willingness to phase-out the MFA be linked directly to the achievement of effective market access in individual countries by removal of non-tariff barriers and lowering of tariffs. I should also note that we are evaluating the options available to us should some countries fail to meet this obligation. In this connection, we are working closely with the industries concerned, and would of course welcome your input.

Thank you again for your ongoing interest and assistance on trade issues.

Sincerely,

Jim

The Honorable John M. Spratt, Jr.  
House of Representatives  
Washington, D.C. 20515

## *11. Promises on Peanut Butter and Peanut Paste*

On November 15, 1993, in an effort to garner another NAFTA vote, President Clinton wrote a letter to a Democratic Representative regarding peanut products related to NAFTA. In the letter the President stated:

"I am also requesting the United States International Trade Commission (USITC) to commence, in 60 days, investigation under Section 22 of the Agricultural Adjustment Act (7 U.S. C 624) to make findings and recommendations as to whether imports are being or are practically certain to be imported into the United States under such conditions, and in such quantities as to render ineffective, or materially interfere with, the peanut program of the Department of Agriculture. I am also asking the ITC to give precedence to this investigation."

According to ITC commodity analyst Steven Burkitt, the report was initiated by the ITC but was suspended at the request of President Clinton before they could issue a final report or make recommendations.<sup>58</sup>

The President also promised that: "all peanuts, whether shelled or in-shell, imported in to the United States will be inspected and handled as provided in, and fully comply with, Marketing Agreement No. 146."<sup>59</sup> This agreement was to ensure quality standards for raw commodities to be processed in the United States. According to a report by the USDA Inspector General, a regulation to establish the same quality requirements and inspection procedures for imported peanuts as those for domestically produced peanuts was not published until February 1, 1996.<sup>60</sup>

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58 Interview with Steven Burkitt, ITC 10/16/97.

59 Letter from President Bill Clinton to Representative Glenn English, November 13, 1997.

60 Office of the Inspector General, United States Department of Agriculture "Implementation of Agricultural Provisions of NAFTA," (Evaluation Report No. 50801-4-At), at 27, (March, 1997).



THE WHITE HOUSE

WASHINGTON

November 15, 1993

Dear Glenn:

I want to respond to the concerns you raised regarding imports of peanuts and peanut products from Canada as they relate to the North American Free Trade Agreements (NAFTA).

I know that peanut growers are concerned about imports of peanut butter and peanut paste as well as quality standards for peanut products. I am, therefore, instructing the Secretary of Agriculture to begin discussions with the Canadian government to seek to remedy the increase in imports of peanut butter and peanut paste and agree on appropriate quality standards for peanut products. I am also requesting the United States International Trade Commission (USITC) to commence, in 60 days, investigation under Section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) to make findings and recommendations as to whether imports are being or are practically certain to be imported into the United States under such conditions, and in such quantities as to render or tend to render ineffective, or materially interfere with, the peanut program of the Department of Agriculture. I am also requesting the USITC to give precedence to this investigation. Such investigation is to begin unless I notify the USITC that, as a result of our consultations with Canada, and subsequent Canadian actions, an investigation is unnecessary.

Regarding the issue of quality standards for imported raw peanuts, Secretary Espy informs me that under the Food, Agriculture, Conservation and Trade Act of 1990 -- as affirmed in the proposed NAFTA implementing legislation -- all peanuts, whether shelled or in-shell, imported in to the United States will be inspected and handled as provided in, and fully comply with, Marketing Agreement No. 146.

I trust these actions and assurances will enable you to support the NAFTA implementing legislation.

Sincerely,



The Honorable Glenn English  
House of Representatives  
Washington, D.C. 20513

## *12. Promises Made on Flat Glass*

In order to obtain votes for NAFTA from Texas and Oklahoma Representatives, the U.S. and Mexican governments agreed to talks on accelerated tariff reductions for flat glass.<sup>61</sup>

However, according to John Reichinbach, of PPG Industries, the Mexican tariffs on flat glass were never reduced -- in fact, the Mexican government refused to even discuss it once NAFTA was passed.<sup>62</sup> Reichinbach says this failure constitutes a "virtual barrier" for the U.S. flat glass industry.

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<sup>61</sup> Exchange of letters between US Trade Representative Mickey Kantor and Mexican Secretary of Commerce Jaime Serra Puche, November 3, 1993.

<sup>62</sup> Interview with John Reichinbach, PPG Industries (formerly Pittsburgh Plate Glass Co), 10/21/97.



THE UNITED STATES TRADE REPRESENTATIVE  
Executive Office of the President  
Washington, D.C. 20506

NOV 3 1993

The Honorable Jaime Serra Puche  
Secretary of Commerce and Industrial Development  
Mexico City, Mexico

Dear Jaime:

As you know, several United States industries have expressed an interest in obtaining more rapid elimination of tariffs on goods traded between the United States and Mexico than currently provided for in the NAFTA. I am sympathetic in particular to the U.S. producers of wine and brandy, flat glass, home appliances and bedding components such as springs, iron rails and wooden parts.

I believe the quick initiation of a tariff acceleration exercise, as called for in Article 303.3 of the NAFTA, would provide an excellent demonstration of the advantages of a trade relationship governed by the NAFTA. As a result, I am requesting your agreement to announce that the United States and Mexico will begin the first round of tariff accelerations in January 1994, immediately after the NAFTA is implemented, with intention of completing the exercise as soon as is feasible, but in any case in no more than one hundred and twenty days.

Sincerely,

Michael Kantor

Unofficial Translation

Mexico, D.F. November 3, 1983

Ambassador Michael A. Kantor  
United States Trade Representative  
Washington, D.C.

Dear Ambassador Kantor:

I received your letter of November 3, 1983. I am pleased to confirm that, by the terms of Article 303(3) of the North American Free Trade Agreement, and as you propose in your referenced letter, Mexican government officials will be available to meet U.S. government officials with the objective of reaching a mutually satisfactory agreement to accelerate duty reductions between our two countries.

Sincerely

Dr. Jaime Serra Puche  
Secretary of Commerce  
and Industrial Development

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### *13. Brussels Sprouts*

The domestic brussels sprouts industry was also given protection from Mexican imports in the form of an expedited tariff quota snapback.<sup>63</sup>

However, according to Jack Olsen of the San Mateo County Farm Bureau, the tariff snapback under NAFTA "has been a total failure."<sup>64</sup> In January 1996, Mexican producers sold brussels sprouts on the U.S. market below cost. The office of the U.S. Trade Representative failed to respond to industry requests for timely intervention.<sup>65</sup>

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63 Interview with Jack Olsen, Executive Administrator, San Mateo County Farm Bureau, October 17, 1997.

64 Interview with Jack Olsen, Executive Administrator, San Mateo County Farm Bureau, October 17, 1997.

65 Interview with Jack Olsen, Executive Administrator, San Mateo County Farm Bureau, October 17, 1997.





## **B. Promises Made to Individual Representatives**



## 14. *Protection and Promotion of Labor Rights Outside the Core Text of NAFTA*

To address the concerns of a Democratic Representative who has fought to ensure that the United States considers human and labor rights records in determining a country's trade status, President Clinton promised to use existing trade law to take action "if Mexico's action or policies deny internationally recognized workers' rights..." Not only did the Administration not fulfil its promise -- which required issuance of an executive order -- but it since has taken steps in its fast track proposal to ensure that neither President Clinton nor any future president has the authority to do so. In 1993, within days after the promise was made, the Congressional Research Service (CRS) issued a memo noting that it would be NAFTA-illegal to carry out the promise.

In a letter to this Member, President Clinton pledged to use "Section 301," a long-standing U.S. trade law that provides for sanctions against countries the U.S. determines have violated trade obligations, to sanction labor rights abuses in Mexico. To do this, the President pledged to issue an executive order expanding a definition in Section 301 because Section 301 only has somewhat vague language about "unfair trade practices" and worker rights. President Clinton committed to issuing an executive order defining "unfair labor practices" to include violation of internationally recognized labor rights.

The Member announced support of NAFTA specifically based on this promise and released the president's pledge letter to the press.<sup>66</sup> By November 8, 1993, the Congressional Research Service had issued a legal opinion that the use of Section 301 promised by President Clinton to enforce labor rights would be banned under NAFTA, a concern raised to the Administration and dismissed by the Administration before the promise was made.

President Clinton sent his promise letter at the end of October 1993. Now, almost four years later:

The promised Executive Order -- to make violation of internationally recognized workers' rights actionable under Section 301 -- was never issued.

- o Neither Section 301 nor any other trade or other policy mechanism has been used by the U.S., despite growing labor rights violations in Mexico under NAFTA.
- o In fact, the fast track proposal tabled by the Clinton Administration in early October 1997 specifically eliminated the negotiating objective on "unfair labor

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<sup>66</sup> "Pelosi Supports NAFTA," *San Francisco Chronicle*, November 3, 1993.

practices" that had existed in the Reagan-Bush fast track.<sup>67</sup> Elimination of this fast track provision would affirmatively restrict future presidential action in this area. Thus, not only did the Administration not fulfil its promise, but it has taken steps to ensure that neither President Clinton nor any future president has the authority to do so.

As recently reported by the *Wall Street Journal*<sup>68</sup>, proponents and opponents of increased labor and human rights protection both agree that labor rights protection and/or enforcement in Mexico under NAFTA also was not improved by NAFTA's labor side agreement or the new public attention NAFTA put on the issue. Since NAFTA, violence against Mexican workers trying to organize unions has increased, as has mass firings of suspected union organizers at Maquiladora assembly plants.

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67 See 1988 Fast Track at Sec. 1101(b)(7).

68 "NAFTA's Do-Gooder Side Deals Disappoint," *Wall Street Journal*, October 15, 1997.

## 15. *Extradition of Mexican Rapist*

On November 16, 1993, a Republican Representative announced that he would vote for NAFTA on the basis of assurances from the Mexican Attorney General that the Mexican government would extradite Serapio Zuniga Rios to the United States if he were caught by Mexican authorities.<sup>69</sup> Rios had been accused of raping the niece of the Representative's secretary. "After having met with Mexican authorities several times, I have been told that Mexico will extradite Serapio Zuniga Rios to the United States," the Representative said in a press release issued by his congressional office on November 16, 1993.<sup>70</sup> The Representative had previously said that he would not vote for NAFTA without assurances that Mexico would abide by the terms of its extradition treaty with the United States, noting that Mexico had never extradited a Mexican national accused of committing felonies in the United States.

It is remarkable enough that a Member of Congress would openly admit trading his vote on NAFTA for a promise from the U.S. and Mexican governments on the criminal case of a single individual. Moreover, as of October 1997, according to the Representative's office, Serapio Zuniga Rios is imprisoned in Mexico and has not been extradited to the United States.<sup>71</sup>

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69 "Shaw claims judicial victory and will vote for NAFTA," press release, November 16, 1993.

70 "Shaw claims judicial victory and will vote for NAFTA," press release, November 16, 1993.

71 Interview with Donna Boyer, Press Secretary for Rep. Clay Shaw, 10/22/97.



CONGRESSMAN  
**E. Clay Shaw**

22nd Congressional District, Florida



2267 Rayburn House Office Building  
Washington, D.C. 20515  
(202) 225-3026

1512 East Broward Boulevard, Suite 101  
Fort Lauderdale, FL 33301  
(305) 522-1800

Representative of Districts of Broward & Palm Beach Counties

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**  
**NOVEMBER 15, 1993**

**CONTACT: SCOTT BRENNER**  
**(202) 225-3026**

**SHAW CLAIMS JUDICIAL VICTORY AND WILL VOTE FOR NAFTA**

Washington -- Rep. E. Clay Shaw, Jr. (R-Fort Lauderdale) today announced that he would vote in favor of the North American Free Trade Agreement after having received assurances from Mexican Attorney General Jorge Carpizo that his government will extradite a Mexican national accused of abducting and raping a four-year old girl in southern California.

"After having met with Mexican authorities several times, I have been told that Mexico will extradite Serapio Zuniga Rios to the United States," Shaw said. "Rios' abduction and rape of a little girl is a heinous crime and I am now confident that the Mexican authorities will do everything in their power to see him brought to justice."

U.S. Attorney General Janet Reno has received a letter from Mexican Attorney General Carpizo stating that if Rios is arrested in Mexican territory, and subsequently is found extraditable by Mexican judicial authorities, the government of Mexico would surrender him to the the U.S.

"The progress we have made in not only putting Rios in jail but in US/Mexican judicial relations is monumental," Shaw said. "This agreement sends a message to all felons that you may be able to run to Mexico but you can not hide."

Shaw said that he was first made aware of Mexico's disregard for the extradition treaty after hearing about a case where a four-year old girl was abducted and raped by a Mexican. After committing the crime, the Mexican fled to Mexico to avoid being arrested. Shaw had previously said that he would not vote for NAFTA until he had been assured that Mexico would abide by the terms of an existing extradition treaty. Shaw said that Mexico has never extradited a Mexican national accused of committing felonies in the United States. The United States has extradited more than five U.S. nationals to Mexico.

## *16. Frozen vegetable country-of-origin labeling*

On Saturday, November 13, 1993 a newspaper reported that President Clinton had offered a deal to a Democratic representative who until then had been an outspoken critic of NAFTA.<sup>72</sup> The reported deal was that if the representative voted for NAFTA, the Clinton Administration would vigorously enforce the U.S. country-of-origin food labeling law with respect to imports of frozen produce, requiring that such labels be prominent and on the front of packages.<sup>73</sup>

The representative did vote for NAFTA, disappointing many constituents who had campaigned for him on the basis of his strong opposition to NAFTA. However, as of October 1997, the country of origin labeling for imports of frozen produce has still not been improved.<sup>74</sup>

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72 "Wheeling, Dealing to Assure a Victory", Steve Komarow, USA Today, November 18, 1993; "Farr Switches Sides on NAFTA; Denies Any Deals", Earle Eldridge, Gannett News Service, November 16, 1993.

73 "Wheeling, Dealing to Assure a Victory", Steve Komarow, USA Today, November 18, 1993; "Farr Switches Sides on NAFTA; Denies Any Deals", Earle Eldridge, Gannett News Service, November 16, 1993.

74 Interview with Steve Trossman, International Brotherhood of Teamsters, October 16, 1997.

**NEWS***from the***NEW TEAMSTERS****NAFTA...DO WE HAFTA?****Monday, November 15****YET ANOTHER SPECIAL INTEREST DEAL OFFERED BY CLINTON IF HOUSE MEMBER SUPPORTS NAFTA****Demonstration and Ad Campaign Urge Congressman Farr to Reject Deal and Keep His Campaign Promises**

The Santa Cruz Sentinel, a daily in the district of U.S. Representative Sam Farr, reported on Saturday, Nov. 13, that President Clinton personally called Farr on Friday to offer a deal if Farr would abandon his public pledge to vote against NAFTA.

The newspaper said Farr told its reporter that Clinton said he would promise to start enforcing federal laws that require food products imported from other countries to be conspicuously labeled with their country of origin. Country of origin labeling has been a great concern to food industry workers in Farr's district whose jobs and wages are undermined by a shift of food production to Mexico.

A demonstration is planned by anti-NAFTA organizations for Tuesday, Nov. 16, at noon at the Santa Cruz County courthouse. Many of the organizations and individuals participating supported Farr when he ran for Congress on a platform that included opposition to NAFTA. Teamsters International Vice President Ken Mee will speak. Advertisements by his supporters urging him to reject the special interest deal will be published on Tuesday in major newspapers in his district.

The Customs Service has been reviewing complaints by the International Brotherhood of Teamsters, Teamsters Local 912 in Farr's district, and several smaller U.S. food companies that the government has failed to enforce the country of origin labeling requirements which have been on the books for nearly a hundred years.

Clinton reportedly told Farr that he would start enforcing the law if Farr changed to being a supporter of NAFTA. Farr apparently has been lobbied heavily by Leon Panetta, Clinton budget director who used to represent Farr's district.

"If we're ever going to raise wages and environmental conditions in Mexico and promote good jobs on both sides of the border, consumers need to know that their food is being produced under substandard conditions," said Teamsters President Ron Carey. "The right to know is a matter of law, and should not depend on a congressman trading his vote on NAFTA."

**For more information, contact Matt Witt or Gaye Williams, (202) 624-6911.**

International Brotherhood of Teamsters, AFL-CIO  
25 Louisiana Avenue, N.W. Washington, D.C. 20001, (202) 624-6911

## *17. Prisoner Exchange*

According to a congressional press release issued November 16, 1993 announcing support of NAFTA, the Clinton Administration promised at least two California Republican Members of Congress for a new prisoner-exchange agreement with Mexico to move convicted illegal immigrants from U.S. jails to south of the border to reduce prison costs. Indeed, according to the press release an agreement had already been reached with the Mexican government and "could be implemented as early as December" of 1993.<sup>75</sup>

According to federal and state justice officials, no new prisoner exchange agreement with Mexico has been reached since 1993. The Treaty of Execution of Penal Sentences, ratified in 1977, provides that prisoners can request to be sent from the United States to their native country in order to serve time. The state in which the prisoner is doing time, the United States and Mexico all would have to approve a prisoner's request which is a very long and complex process. Therefore, there is still a large number of illegal immigrants in U.S. jails today.<sup>76</sup>

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<sup>75</sup> Press release issued by Rep. Jay Kim (R-CA), November 16, 1993.

<sup>76</sup> Interview with official in Texas Governor's Office who wished to remain anonymous, October 16, 1997.

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**JAY KIM**

11th DISTRICT, CALIFORNIA

COMMITTEE ON PUBLIC WORKS  
AND TRANSPORTATION  
SUBCOMMITTEE  
ON  
SURFACE TRANSPORTATION  
ECONOMIC DEVELOPMENT

COMMITTEE ON SMALL BUSINESS  
SUBCOMMITTEE  
ON  
REGULATION BUSINESS  
OPPORTUNITIES AND TECHNOLOGY



**Congress of the United States  
House of Representatives**

902 Cannon Building  
Washington, DC 20515-6540  
202-225-3201

1121 West 6th Street  
Suite 100A  
Orrville, CA 91762  
909-838-1068

18200 Tundra Lane Suite  
Suite 203A  
Yuba City, CA 92888  
714-878-8576

**FOR IMMEDIATE RELEASE  
NOVEMBER 16, 1993**

**CONTACT: SANDRA GARNER  
(202) 225-3201**

**REP. KIM SUPPORTS NAFTA**

Over the past several months, I have carefully been studying both sides of the NAFTA issue. I have met with leaders representing both sides and have discussed this issue at length with individuals and groups within my district in California to understand their reasons for support and opposition. People on both sides of this debate feel very strongly about their respective positions, and I must say both sides have brought forward very compelling arguments that support each of those positions.

Based on my own review of the NAFTA legislation and accompanying side agreements, I have repeatedly expressed two concerns: the issue of illegal immigration that continues to choke the economy of California and short-term job loss. This is a golden opportunity for the United States to address the serious issue of illegal immigration with Mexico. As I brought up during my meeting with President Clinton last week, Mexico has never felt compelled to address its responsibilities in controlling our borders. For that reason alone, we would be remiss if we did not seize this opportunity to secure a commitment from Mexico to share in the responsibility of deterring illegal immigration which costs California taxpayers \$2.3 billion a year.

In response to my request, I have just received a letter from the President and the Justice Department indicating that Attorney General Janet Reno has successfully negotiated a new prisoner-exchange agreement with the Mexican Attorney General that would move convicted illegal immigrants from U.S. jails to prisons south of the border. The Administration reports that implementation of the agreement could take effect as early as December of this year. Currently, there are 16,000 illegal immigrants in California jails. The cost to incarcerate them is more than \$450 million a year. This is outrageous! An agreement of this magnitude is imperative if the Administration is truly committed to securing our borders and mounting a serious war against crime and drugs. Illegal immigrants will think twice about breaking the law in the United States when they realize they will have to serve their time in a Mexican prison.



In his letter, President Clinton has assured me that his Administration is committed to "taking strong measures to protect our borders against those who would ignore our immigration laws, including increasing the size of the Border Patrol...the implementation of a counterfeit and tamper-resistant identification card....Improving the effectiveness of our federal inspection services' in detecting illegal drugs and crossers through greater interagency cooperation." The people of California have my strong commitment that I will continue to champion the fight against illegal immigration. The federal government has sole responsibility over immigration and refugee policy and I will continue to press President Clinton to take action to fulfill the Administration's responsibility in addressing this serious issue. The fiscal consequences of inaction is a price California can no longer afford to pay.

While we still need other major reforms in the area of illegal immigration, this is an important first step for the people of California. In addition to the relief it would provide in our overcrowded prisons, this initiative alone would save California taxpayers \$450 million a year. That's \$450 million which could be used to invest in jobs and other services in California thereby offsetting my concern about temporary short-term job loss resulting from NAFTA. The Administration has also committed a minimum of \$90 million to assist any workers displaced directly by NAFTA and is crafting a much broader job re-training program in light of today's changing economy. I am continuing to fight for proportional funding so those states, like California, that have high unemployment will benefit more from this pool. This is a critical issue to the people of our state since unemployment remains higher than the rest of the country.

For these reasons, I have decided to support NAFTA. I believe that the benefits far outweigh the costs and that this agreement will have a significant, positive impact on the people of the United States especially in the long-run. I continue to have the highest regard for the workers of America and truly believe that we make the best quality products in the world. When comparing our products to the quality of those manufactured in Mexico, I remain confident that American goods and services will continue to be the products of choice around the world and that the U.S. economy will continue to be the strongest.

## 18. *The Highway Deal*

In order to help secure the vote of a Member of Congress from California, the Clinton Administration promised to help secure federal highway funds for an interchange on Highway 126 linking the Golden State freeway and Antelope Valley freeway.<sup>77</sup>

However, as of August 1997 no such interchange had been built and no federal highway money had been allocated for the project.<sup>78</sup>

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<sup>77</sup> "Area Lawmakers Did Some Horse-Trading Before Vote," Alan C. Miller, Los Angeles Times, November 17, 1993.  
<sup>78</sup> Interview with Rep. McKeon (R-CA) congressional staffer Greg Campbell, August 1997.



# Deals for NAFTA Votes: Trick, No Treat

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# Los Angeles Times

November 17, 1993

## Area Lawmakers Did Some Horse-Trading Before Vote

■ **Politics:** Battle over the treaty created unexpected opportunities and pitfalls for Valley congressmen.

By ALAN C. MILLER  
TIMES STAFF WRITER

WASHINGTON—Rep. Howard P. (Buck) McKeon (R-Santa Clarita) says he had already made up his mind to vote for the high-stakes North American Free Trade Agreement.

But two days prior to announcing his decision Friday, McKeon said he received a phone call from Transportation Secretary Frederico F. Pena asking if Pena could "be helpful."

Aware of the Clinton Administration's frantic effort to corral undecided votes through old-fashioned horse-trading, McKeon told

Pena that there were in fact some highway projects in his district that were personal priorities.

"We're in the process of talking," McKeon acknowledged hours before the historic vote Wednesday. But the freshman congressman, who ran last year as a government reformer, belatedly added, "There is no deal."

McKeon's experience is but one example of the way that the hand-to-hand political combat over the treaty to create a hemispheric free trade zone created unexpected opportunity and political pitfalls for San Fernando Valley area lawmakers leading up to the pact's passage.

Please see **VOTING**, A13



# VOTES: Lawmakers Push Projects

Continued from A1

The scrambled politics of the NAFTA debate also saw Republicans McKeon and Carlos J. Moorhead (R-Glendale) join a majority of their GOP colleagues to give Democratic President Clinton a desperately sought victory and Rep. Henry A. Waxman (D-Los Angeles) oppose an Administration with which he is closely allied on health-care reform and other issues.

Earlier, it led Rep. Howard L. Berman (D-Panorama City) to break ranks with his longtime organized labor allies to back the pact and Rep. Anthony C. Beilenson (D-Woodland Hills) to risk antagonizing labor and supporters of former presidential candidate Ross Perot by doing so as well. They were among the first California Democrats to announce their support.

This was only the second time in three years that veteran liberal allies Waxman and Berman went separate ways on a highly charged vote. Berman also broke ranks with the majority of Democrats to vote for the Gulf War in 1991; Waxman voted against it.

Beilenson and Berman disclosed their support in late September, when opposition was high prior to Clinton's recent concerted push to influence public opinion as well as lawmakers. McKeon and Moorhead, both of whom had said they were leaning against the measure, jumped in as polls showed that sentiment was more evenly divided.

Most of the Valley area members reported that their correspondence indicated a recent shift in sentiment within their districts from strongly anti-NAFTA to slightly opposed or evenly divided. McKeon's office received 300 calls a day this week, with 56% opposing NAFTA; for the year, McKeon's tally stands at 2,272 against, versus only 1,154 in favor.

But each of the four congressmen who voted for the proposal to gradually phase out trade barriers among the United States, Mexico and Canada say that they expect to pay a political price even though they feel they did the right thing. Each said the measure will create jobs, increase trade and help stem illegal immigration.

Waxman cited health, environ-

ment and labor concerns in voting against the pact. He had repeatedly urged Clinton to scrap the proposal and renegotiate a better agreement.

Moorhead, an 11-term lawmaker who has felt more electoral heat than usual in recent years, waited until the eve of the vote to announce his decision. "I'm worn out," he lamented Wednesday. "I've had about all I need."

In contrast to the strident partisanship that marked last summer's budget battle, the NAFTA showdown provided both McKeon and Moorhead with unaccustomed clout and access to the highest levels of the Democratic Administration. The two conservatives used it in different ways.

At a Sunday dinner at the White House, Moorhead said he pursued a longtime concern by pressing Clinton to increase resources at the border to combat illegal immigration. He also said he discussed the issue of repatriating Mexican felons to serve their time in prisons in their homeland—a process that Clinton said the Administration was working on.

By then, though, Moorhead said he had decided to vote for NAFTA as best for the country.

"I can't think of anything that's more important to Southern California in the long run than getting control of this illegal alien problem," Moorhead said. "People don't like to hear about back-room deals on this. But if you've decided to vote for something, that's a horse of a different color."

McKeon invoked that rationale as well. But he took a somewhat more parochial approach.

The former Santa Clarita mayor and businessman said he was becoming increasingly convinced that NAFTA would create jobs—despite a campaign pledge he had made to oppose it "with no information." But he had also let Administration lobbyists for NAFTA know that he was interested in federal assistance for highway projects in his 25th District.

"I do understand the way the system works here, and if there are things being done for districts, then I would certainly like to have something done for my district," McKeon said. "I wouldn't let something like that determine my vote, but when I know they need votes and I'm going to vote that way

anyway, it doesn't hurt to ask."

He said Pena never mentioned NAFTA but said he "heard that I was interested in something [and] he indicated he wanted to be helpful." McKeon said subsequently his staff was working with Pena's aides "to see if there's any way they can be helpful in expediting anything."

In his discussion, McKeon focused on the proposed construction of an interchange on California 128 that would link the Golden State and Antelope Valley freeways north of the Santa Clarita Valley and create a new east-west corridor. McKeon has been seeking to get the interchange included in the Administration's National Highway Systems plan, a comprehensive transportation blueprint that the Transportation Department is scheduled to release Dec. 18.

McKeon said he was uncertain what form the Administration's help might take—or whether it will be forthcoming. A spokesman for Pena could not be reached Wednesday.

McKeon's late announcement particularly angered the activists in Perot's United We Stand America in his district.

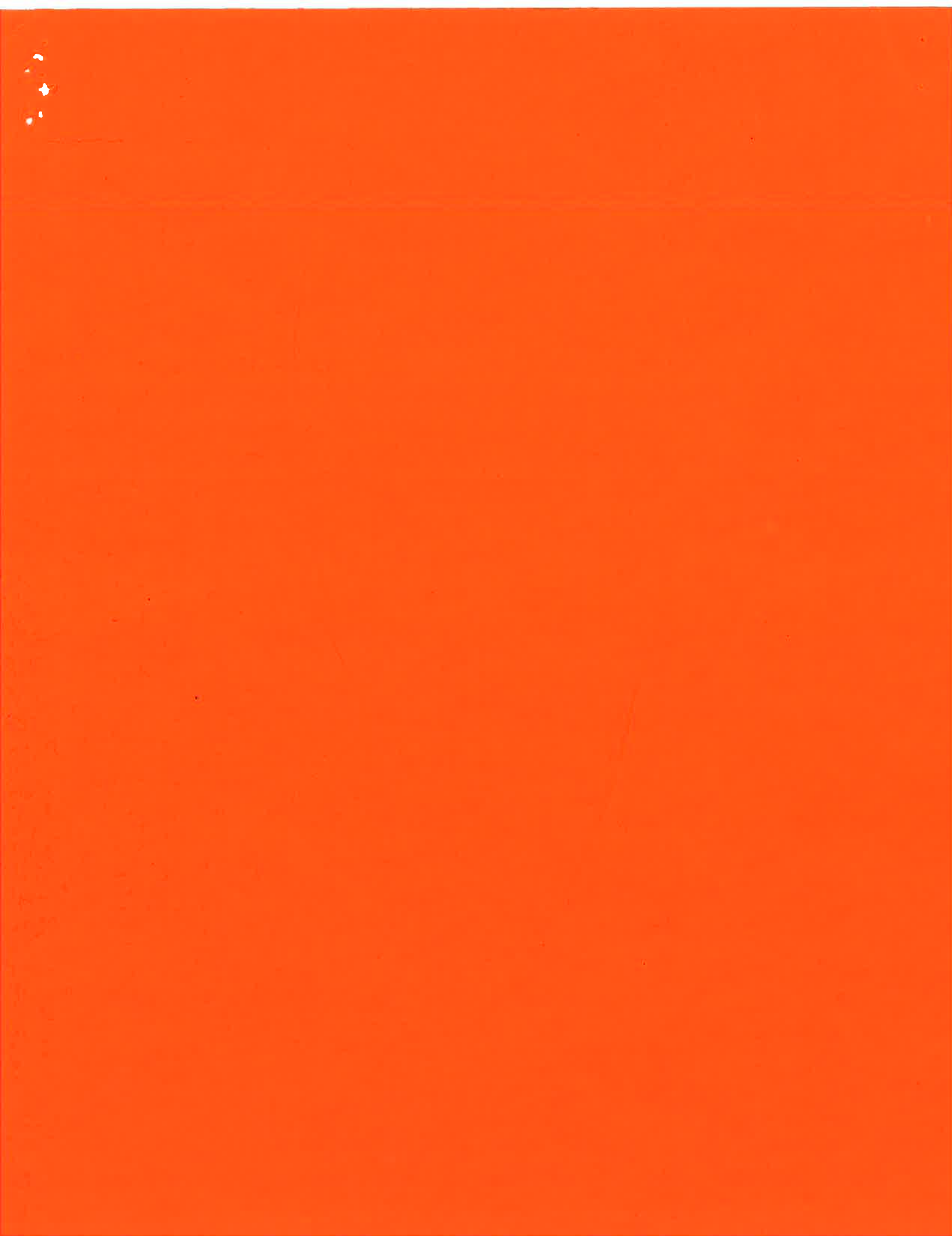
"We're outraged because he led us to believe all the way up until last Monday that he was going to vote 'no' on it and keep his campaign promise," said Jim Stroud, the group's coordinator for McKeon's district.

He said the group was already "trying to see if there's someone we can run against him." He said a campaign to boycott the Western clothing chain that McKeon and his brothers own had been discussed. McKeon said unsigned signs and flyers urging such a boycott had already begun to appear around his stores in the Santa Clarita and Antelope valleys.

Berman said his friends in the labor movement went to extraordinary lengths to sway him. He recalled telling them that he traced his commitment to free trade to his days at UCLA when he read the classic economic textbook by Paul Samuelson. The labor leaders then tracked down the Nobel Prize-winning economist to ask him to call Berman and urge him to oppose NAFTA.

Their effort was for naught. Samuelson told them that he himself supported the treaty.





The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This not only helps in tracking expenses but also ensures compliance with tax regulations.

In the second section, the author provides a detailed breakdown of the monthly budget. It includes categories for housing, utilities, food, and entertainment. Each category is further divided into sub-items, such as rent, electricity, groceries, and dining out. This level of detail allows for a clear understanding of where the money is being spent.

The third part of the document focuses on the overall financial health of the household. It compares the current month's spending to the previous month and to the budgeted amounts. Any variances are noted and explained, such as an increase in utility costs due to a change in season or a decrease in food expenses due to a change in eating habits.

Finally, the document concludes with a summary of the key findings and recommendations. It suggests that regular budget reviews are essential for staying on track and making adjustments as needed. The author also encourages the use of budgeting tools and apps to simplify the process and provide real-time feedback on spending patterns.