The Clinton Record on Trade-Vote Deal Making: High Infidelity

Tales of Peril and Betrayal from the NAFTA Deal-for-Vote Front

Public Citizen

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In 1993, the controversial North American Free Trade Agreement (NAFTA) narrowly passed Congress. Even a week before the NAFTA vote, the Clinton Administration and the corporations supporting NAFTA were unsure the measure would pass. To obtain the missing votes, the Clinton White House offered an array of special deals to the few Members still publicly undecided on NAFTA.

The Administration offered a wide range of giveaways which included "traditional" horse-trading for votes with promises of federal funding for bridges, freeways, and pet projects in Members districts. The White House also offered special "side agreements," changes to U.S. regulations, and promises of tough trade law enforcement to soften the anticipated damage NAFTA would have on specific industrial sectors and workers.

These deals were first comprehensively catalogued in a groundbreaking expose by Public Citizen titled "NAFTA's Bizarre Bazaar." Critics of NAFTA were highly skeptical about the side agreements, scornful about the special deals, but felt certain that the downsides of NAFTA would become depressingly apparent. They committed to monitoring both NAFTA's outcomes and the fruition of the promised special deals.

In 1997, Public Citizen released two reports which tracked the outcomes of the deals: "Deals for NAFTA Votes: Trick or Treat?" and "Deals for NAFTA Votes II: Bait and Switch." We found that systematically, the White House promises remained unfulfilled. Exceptions were several meaningless promises, such as photographs with the president, and one campaign fund-raising event. (Other promises for the president to attend fund-raisers were not fulfilled.)

In this report, we follow up on the status of the NAFTA promises which still had the possibility of being kept. (For instance, a promised fund-raiser is irrelevant once the Member is out of Congress.)

In this report seven and a half years after the NAFTA deals were made, the Administration systematically has failed to fulfill the special deals promised to obtain NAFTA votes. Promises remain unmet even though the Members of Congress involved kept their end of the bargain and voted for NAFTA -- some incurring long-lasting political ire at home.

Many of the Administration's promises were delivered in formal letters to the target Members by Cabinet Secretaries or the President. While these letters of "commitment" have made tracking the deals somewhat easier, the letters proved to be worth less than the paper on which they were written.
Over the past seven and a half years, the Clinton Administration has failed to deliver on the NAFTA vote-deals’ special funding for in-district projects and the policy-related promises to change U.S. regulation. Now, with only nine months remaining in his administration and a short, busy legislative calendar, promises from the White House are even less likely to come to pass.

We found that the Clinton Administration’s failure to deliver on promises applies to both pork barrel deals and important policy changes. For instance, in an October 1993 letter to Rep. Nancy Pelosi, President Clinton promised that the Administration would use existing trade law to take action “if Mexico’s action or policies deny internationally recognized workers’ rights....” Specifically, the Administration promised to issue an Executive Order adding labor rights violations as an explicit cause of action which could trigger trade sanctions under Section 301 of the U.S. trade law. This policy promise easily could be fulfilled by the Administration alone and, unlike appropriations-related promises, did not require gambling on the congressional budget process. The promise covered a major concern Rep. Pelosi had about NAFTA and she announced support for NAFTA, stating that she had secured a means for addressing her labor rights concerns. Yet, seven years later, the promised Executive Order has never been issued and the promised use of trade policy mechanisms to enforce labor rights in Mexico was never forthcoming despite well-documented evidence of violations.

Deals for China PNTR Votes?

Now, in the most intense trade fight since NAFTA, the U.S. House of Representatives takes up the Permanent Normal Trade Relations (PNTR) for China legislation next week. Although the Administration has sought to create an impression that it is poised to win, the outcome of the vote is too close to call. Indeed, 35 Democrats who have supported annual Normal Trade Relations for China in the past - including some Democrats who supported NAFTA - are now opposed to China PNTR.

The strongest evidence of the White House’s China PNTR vote shortfall is the Administration’s recent foray into deal-making negotiations with undecided House Members over federal monies or programs and over assorted side agreements and policy changes.

Given the Administration’s record of keeping its word on deals-for-votes on trade legislation, one would expect that Members of Congress would no longer be susceptible to this approach from this Administration.

Indeed, when the prizes offered in the NAFTA deals never materialized after several years

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1 “Pelosi Supports NAFTA.” San Francisco Chronicle, Nov. 3, 1993

2 Id.

3 See e.g. “China Pact in Peril in U.S. House - Poll”, Reuters, May 12, 2000
passed, many Representatives became leery of Clinton’s ability to deliver. In 1997 and 1998, the President failed twice in his attempt to win approval for Fast Track trade authority, in part because his record on not following through on the NAFTA vote-deal promises severely undermined his ability to fall back on deal making when he failed on the merits.

While congressional veterans of these bait and switch deals during trade votes are not easily swayed, but more junior Members of the House, especially in the Democratic party, may be more open to Administration offers. The House of Representatives has many new Members since NAFTA.

As the Administration reopens the trade candy store, seasoned Members of Congress who are undecided on China PNTR are demanding that their “deals” be completely fulfilled before the China PNTR vote. For instance, Rep. James Oberstar (D-MN) has announced broadly that he will oppose China PNTR unless two conditions are fulfilled before the vote:

- a change to Trade Adjustment Assistance regulations allowing funding for trade-injured workers in his district not now covered under the program’s terms, and
- final passage of legislation to change existing U.S. trade law to cover imported slab which is now flooding the U.S. market and costing jobs in Oberstar’s district.

Oberstar told the New York Times: “I’ll take the heat if I can get something for the people I represent.”

Yet, repeating its past conduct on trade vote promises, the Administration failed to push the trade law changes early on and now is running out of time to be able to deliver.

Some more junior Members of Congress seem more open to the deal-making, having not lived through the political aftermath of NAFTA. For instance, Texas staff of Rep. Ruben Hinojosa (D-TX) have reported to local PNTR opponents inquiring about his position that Hinojosa is negotiating with the Administration about increasing federal funding for job-retraining and education programs in his district. Hinojosa is considered to be strongly leaning in favor of China PNTR, but not formally committed. Yet, unless all of the requested funding is approved and in a bank in Texas before the PNTR vote, supporting an unpopular trade agreement presents a huge political risk.

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4 Some new Members have been totally confused about how the vote-trading is supposed to work. For instance, Democratic Freshman Mike Thompson (D-CA) has felt the ire of local environmentalists because of his position in favor of PNTR. Meanwhile, for a decade as a state legislator and for his term in Congress, Thompson has been pursuing a pet project: a new zip code for his congressional district. A mid-May Associated Press report announcing he finally had obtained the zip code is being interpreted at home as trading support for a trade deal opposed by 79% of the public in exchange for his pet project -- a new zip code.


6 Activist interview with Representative Hinojosa’s Staff, Apr. 4, 2000
A reason Hinojosa may be so eager for additional Trade Adjustment Assistance funding for his district is because his district has significant certified NAFTA-related job, according to federal TAA data. The NAFTA job losses have made trade a volatile issue in Hinojosa’s district. With only nine months left for this Administration, many in Hinojosa’s district know it is improbable that the funding he has sought for years will now be forthcoming. Meanwhile, a strong majority of Americans oppose China PNTR, adding to the political risk of potential job loss in the districts of PNTR supporters.

Rep. Gregory Meeks (D-NY) is an undecided Member targeted by the Administration. Meeks joined Hinojosa on an Administration-sponsored tour of China last month. In an interview about his China PNTR position, Meeks commented on the need for investment commitments for inner-city businesses and communities. This same concern about investment in the district was the basis of a NAFTA deal made by Rep. Meeks’ predecessor Rep. Floyd Flake.

After corporate lobbyists refused to put in writing guarantees to Rep. Flake to make good on their claims that NAFTA would increase jobs at nearby Kennedy airport (by agreeing in writing to increase employment if NAFTA passed) the Clinton Administration promised Rep. Flake special Small Business Administration (SBA) funding for his district. Rep. Flake supported NAFTA. The Administration did nothing on the promise for three years. The SBA special investment project it did finally approve has funded only one project, but in another Member’s district. (A clinic in Rep. Serrano’s district.) Indeed, small business investment in Rep. Flake’s old district has lagged. (See full report on this case in report text.)

Many Americans turn a cynical eye towards pork barrel politics. However, given the recent Harris poll found that 79% of the American public oppose China PNTR until China’s government improves it conduct on human rights and religious freedom.7 Members of Congress face even greater peril than usual by trading their China PNTR vote for pork or programs which are unlikely to materialize.

Trade has become a politically dangerous issue in American politics. In 1994, the Democrats lost control of the House after turnout amongst labor households and non-unionized working class families declined. Polling found that upset about NAFTA’s passage and specifically about local representative’s support of NAFTA moved many traditional Democratic party voters to stay home on election day. The 1994 elections were remarkable in that low turnout -- not swings from Democratic to Republican party support -- decided many of the seats which switched parties on margins of fewer than 1000 votes.

Political fall out from trade votes and trade deals continues. In March 2000, 10-term veteran House Member Matthew Martinez (D-CA) lost his southern California seat in a primary challenge by Democrat Hilda Solis. Ms. Solis was recruited by labor and community activists in Martinez’ congressional district who were furious about his support of President Clinton’s “free” trade policies, such as Fast Track, which would cost the district jobs. Solis ran her campaign on trade, promising that

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7Harris Interactive, Apr. 10, 2000
unlike Martinez, she would represent the district’s interests. Martinez had traded his Fast Track vote in exchange for Clinton Administration support for an exit ramp off a freeway running through his district. Three years later, the ramp is not under construction and indeed the project remains stuck over the same environmental and community impact issues that halted it in 1997. Now, the cautionary tale of vote-trading and supporting unpopular trade votes circulating Congress is one of Democrats facing primary challenges and losing.

The examination of the actual follow through of the deal-making necessary to secure NAFTA votes reveals that promises on China PNTR also are unlikely to come to fruition. Short of votes to pass China PNTR on its merits, the Administration is now finding its record on delivering on trade vote promises and its lame duck status is limiting its ability to make new pork barrel deals on China PNTR.

Examples of the hollow NAFTA promises now haunting the China candy store include:

- **Promised Small Business Administration Investment In Rep. Flake’s District** Former Representative Floyd Flake committed to voting for NAFTA after receiving directly from the President in a personal meeting a commitment for a special Small Business Administration program to increase private sector investment in his district. (The Administration promise came after businesses claiming NAFTA would increase traffic at nearby Kennedy airport refused to commit in writing to increasing investment and jobs relating to the airport.) For four years nothing was done on the Administration promise. Then the Clinton Administration announced the creation of the Bronx Initiative Corporation, designed to foster investment with federally-backed lending. The Bronx Initiative Corporation made its first and only loan in February of this year. However, the funded project is not in Flake’s former district, but in the district of Rep. Jose Serrano.

- **No Enforcement of Tomato Surge Protection Promised Florida and California Reps.** The Administration convinced many in the California and Florida delegations to support NAFTA by including language in NAFTA’s enabling legislation to monitor for import surges from Mexico and to recommend remedies under NAFTA and U.S. trade law to protect American growers. The International Trade Commission monitored tomato imports and found: declining tomato acreage in Florida and California, Mexican imports have nearly doubled between 1995 and 1999, and U.S. exports to Canada (formerly the biggest U.S. tomato market) and Mexico have declined significantly. Yet, despite the dramatic findings, no recommendation was made to safeguard U.S. growers. The number of Florida farms has fallen from 320 before NAFTA to 100 in 1999. This example provides a cautionary tale to members who might believe that the Levin side deal which contains surge protection terms could provide them with cover politically or policy-wise.

- **No Funding for Plutonium Lab in Amarillo for former Rep. Sarpalari (D-TX)** Funding promised for a new lab to expand a Dept. of Energy nuclear weapons site never materialized. Later, funding for an academic research lab earmarked in 1999 was shifted over to the weapons site and then canceled in 2000. Now, ironically, the entire facility is getting downsized with DOE
cutting funding that will require elimination of 70% of the facility's work force over the next few years. Examples such as this one has led senior House Members who observed their former colleagues tribulations on NAFTA deals who now are being offered China deals by the White House to demand delivery in full before the imminent vote.

- **Massachusetts Maritime Disaster for former Rep. Studds** (D-MA) Senior Democrat Studds was targeted by both sides. Pres. Clinton intervened to get the Maritime Administration to finance a loan to re-open a Massachusetts shipyard. The pork laden project never was completed. Not one ship was built or one job created. In early May 2000, the Maritime Administration began bankruptcy proceedings to recapture the more than $50 million in federal funds that have been lost. Meanwhile, the state of Massachusetts has suffered significant NAFTA job loss.

**Methodology**

Public Citizen has conducted extensive monitoring of many aspects of U.S. trade policy and policy-making. We began tracking White House trade-vote deal-making after the 1993 NAFTA vote. In three studies since 1993, we have documented the promises and deals offered by the Clinton White House to secure votes for NAFTA. This work is an update of these ground-breaking studies.

In conducting this analysis we examined archived Administration letters of commitment to Members, media coverage, House floor statements, and press releases to determine and define the original NAFTA deals. We then conducted a systematic examination of the media accounts and primary source federal documentation, and conducted interviews to discern whether the promises were kept.

**Acknowledgments**

The most important thanks are to those who have gone before on this project, including the researchers and authors of the past three reports whose archival materials provided a framework for this study: Gabriella Boyer, Mike Dolan, Chris McGinn, Robert Naiman, and Lori Wallach. As well we would like to thank the large network of organizers and activists who held Congress' feet to the fire for taking such outlandish deals and continue to send us updated materials and news clips on the unfinished old NAFTA deals and promises as they have developed at home. Research and writing of this report have been provided by Tamar Malley and Patrick Woodall.
The Community Development Deal

Terms of the Deal: Commitment from President Clinton for Small Business Administration lending program to increase investment in his Congressional District

Target Vote: Representative Floyd Flake (D-NY)

Some members of Congress approached to support NAFTA expressed concern about the lack of investment by corporations pushing NAFTA in inner-city working class neighborhoods. The day before NAFTA went to the floor of the House of Representatives, Representative Floyd Flake was undecided about how he would cast his vote. That day, Representative Flake met with President Clinton and after the meeting, Representative Flake announced his support for the controversial agreement, which many in the New York City congressional delegation opposed. Newsday reported that Representative Flake’s decision was linked to a commitment that his district would be the recipient of federal funds through a new Small Business Administration (SBA) lending program for small businesses.12 A spokesperson for Representative Flake’s office described the President’s pledge to the New York Times as a “philosophical commitment.”13

President Clinton waited four years before he was willing to put his philosophy on paper. In December of 1997, the Administration approved a new Certified Development Company (CDC) specifically targeted for Representative Flake’s Bronx district named the Bronx Initiative Corporation.14 Community groups are often critical of CDCs because many times they are unresponsive to the communities they allegedly serve, they rarely fund job-creating enterprises, and they are slow to allocate resources.

It wasn’t until February of 2000 that BIC made its first financing deal, six and a half years after the President made his promise. BIC financed one third of a community health clinic, half the funding provided by commercial banks.15 The clinic is not even in Representative Meeks’ district, it’s in Representative Serrano’s district.16

The Small Business Administration funded 400 small business loans in the Bronx totally between 1994 and 1999, about one tenth what commercial banks provided in 1998 alone, the most recent year available.17 The commercial small business lending in the Bronx is disproportionately targeted towards the wealthiest neighborhoods. Upper income neighborhoods receive twice the share of small business loans that low income neighborhoods receive based on the composition of the Borough. This disparity

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12 “For Some, Playing the Game Means Let’s Make a Deal,” Newsday, Nov. 18, 1993
16 Interview by Public Citizen’s Global Trade Watch with Representative Serrano’s staff, May 15, 2000
increased between 1997 and 1998.  

Representative Meeks, who is undecided on China PNTR and now holds Representative Flake’s seat in Congress, commented recently to the NewsHour with Jim Lehrer that he also is interested in increasing investment in the district. Meeks stated that he is “asking for engagement not only in my district but throughout the United States of America, we need to make sure that the same kind of investments and creation of jobs in China [...] also happens here in America.”

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New York Region ‘Nays’ Mean ‘No Deals’

WASHINGTON, Nov. 17 — So while the deals were being struck on sugar and orange juice and peanut butter to round up last-minute Democratic votes for the free trade pact, how did the New York region do?

To begin with, most Democrats in the metropolitan area were out of the running. All but two Democrats from New York, New Jersey and Connecticut — Nita M. Lowey and Floyd H. Flake — opposed the pact, according to preliminary vote counts.

Ms. Lowey decided after much soul-searching to support the agreement, but she was proud declaring, “No deals, no dams, no bridges.” Meaning, her press secretary said, that she decided solely on the merits of the issue. “Nita made it very clear that she was not interested in getting anything for her vote,” the aide, Howard Wolfson, said, “and she didn’t solicit anything.”

Ms. Lowey, who represents parts of Westchester, the Bronx and Queens, said that the pact was “a good deal” for the metropolitan area and that if she did not believe it would create jobs and improve the New York economy, she would not have supported it.

Mr. Flake, of the Sixth District in Queens, met with President Clinton for 30 minutes on Tuesday and afterwards said he would vote for the agreement.

The congressman got “a philosophical commitment from the President to go forward with some community development initiatives,” said Anthony Mitchell, Mr. Flake’s spokesman. That includes more seed money for small businesses in distressed areas, Mr. Mitchell said.

Perhaps most important, Mr. Mitchell said, the President expressed his interest “in using the Sixth Congressional District as a crucible for experimentation in economic empowerment.”

Another longtime holdout like Mr. Flake was Representative Sherwood Boehlert, an upstate Republican who announced his support for the pact today. “No deals,” Mr. Boehlert said tonight.

But he added that he did talk the President through the Government was “the biggest employer in my district,” citing cutbacks at Griffiss Air Force Base in Rome. Administration officials noted their past assistance to cushion that dislocation, Mr. Boehlert said, and promised continued cooperation.

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18 Calculations based on the Federal Financial Institutions Examination Council CRA aggregate data for small business loans. Low income (under 50% of median) census tracts receive twice as prevalent as upper income (over 120% of median income) but received fewer loans. Low income census tracts make up 36% of the Bronx but received 28% of the small business loans in 1998; upper income census tracts make up 17% of the Bronx but received 24% of the small business loans.

Tomato Promise

Terms of the Unfulfilled Deal:

The Clinton Administration promised that the ITC would monitor imports of tomatoes and peppers and guard against import surges.

Target Votes:

Florida Representatives

Florida vegetable growers were concerned that imports of Mexican-grown crops would devastate state farmers. In a letter from the Clinton Administration to the Florida Fruit and Vegetable Association, then U.S. Trade Representative Mickey Kantor promised the International Trade Commission would monitor imports of Mexican vegetables and "expedite any request for relief under the fast track provisional relief procedures," which could provide safeguards to domestic farmers through tariffs.

Eight years later, the Administration has not acted on this promise. The ITC has studied the imports of tomatoes extensively. In its investigation titled "Monitoring U.S. Imports of Tomatoes," from September of 1999, it describes the state of the tomato market over time in nearly thirty tables crowded with data.

The ITC's study data describes a market where U.S. farmers are facing tremendous pressures from Mexican imports and diminished markets for exports. Domestic production declined 17% between 1994 and 1998 and the harvested tomato farm area "fell steadily" in Florida between 1994 and 1997. The U.S. export of tomatoes to Canada, the largest U.S. market, fell 8% between 1994 and 1998. Exports to Mexico dropped off 78%. Over the same period, imported tomatoes from Mexico nearly doubled, up 95% to 734 million kilograms in 1998. Even Canadian imports grew — more than 700% to 62 million kilos.

The ITC study recommended provisional relief under NAFTA Section 302 "if appropriate." But for all the extensive monitoring, the ITC made no actual recommendations for action, let alone recommendations to provide safeguards for American growers.

The NAFTA import surges of tomatoes have devastated growers in Florida. Before NAFTA there were 320 growers in Florida, but by 1999 the number had fallen to only 100 according to the Florida Tomato Committee. Homestead, Florida farmer Robert Borek stated that because of NAFTA, "My only two choices are to quit or stay in this thing 'til I go bankrupt."

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44 Letter from U.S. Trade Representative Mickey Kantor to Florida Fruit and Vegetable Association, Nov. 10, 1993, reprinted in Inside U.S. Trade, Nov. 19, 1993 (emphasis added)


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:

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

cc: Wayne Hawkins
Executive Vice President
Florida Tomato Exchange
The Shipyard Deal

Terms of the Unfulfilled Deal:
Administration support of Maritime subsidy program

Target Vote:
Representative Gerry Stuuds (D-MA)

Cost to Taxpayers:
$1.2 billion for Maritime subsidy, $50 million in defaulted loans

Representative Gerry Stuuds was a key undecided vote on NAFTA. As Chairman of the House Subcommittee on Merchant Marine and Fisheries, Stuuds had the responsibility for oversight of numerous environmental laws environmental groups thought could be hurt by NAFTA.

President Clinton personally intervened to convince the House of Representatives to pass a $1.2 billion subsidy for the ship-building industry. The bill explicitly benefitted Representative Stuuds’ district by providing federal financing for an abandoned shipyard in Quincy, Massachusetts. The yard had employed 7,000 workers until the General Dynamics facility closed its doors in 1986 because of a lack of orders.7

Less than a week later, Representative Stuuds announced he would vote in favor of NAFTA, despite intense pressure from environmental and consumer groups. Representative Stuuds denied that his support for NAFTA was the result of the President’s assistance in securing funding for the Quincy Shipyard, but a senior Administration official admitted to the Boston Globe that President Clinton approached Stuuds to secure his NAFTA vote at the fortuitous time when he pushed for the maritime funding.8

But seven years later, the shipyard is still not operational, and no one is employed at the facility making ships. Indeed, the project has fallen under harsh criticism by federal authorities and legislators. In 1997, the Massachusetts Water Resources Authority sold the shipyard land to Massachusetts Heavy Industries for $10 million, even though conservative estimates put the value of the land, drydocks, cranes and equipment at $35 million.9 MHI, in turn, was to secure the financing of the U.S. Maritime Administration that President Clinton had pushed through Congress. MHI has imperiled the entire project by failing to repay interest on its financing, delaying the project for over a year and failing to find any building contracts.10 In February 2000, the federal government seized the shipyard from MHI after it defaulted on the loan. MHI owes federal and local taxpayers at least $24.5 million. U.S. Senator John McCain has stated that he has “grown increasingly concerned that the federal government will be unable to recover any of the roughly $50 million it has paid” for the project.11

7 “Emmanouil to the Rescue: Saving Fore River Shipyard,” Boston Business Journal, Week of May 26, 1997
8 “Foes See Link in Stuuds’ ‘Yes,’ Shipyard Aid,” Boston Globe, Nov. 14, 1993
10 Maritime Administration, Office of Inspector General, Report on MHI Title XI Loan Guarantee, Jul. 20, 1999
11 “Quincy, MWRA Hit Hard on Shipyard,” Boston Globe, May 5, 2000
Foes see link in Studds' 'yes', shipyard aid

By Meg Valliencourt
CONTRIBUTING REPORTER

In what he described as one of the most difficult decisions of his 23-year career, Rep. Gerry Studds, Democrat of Massachusetts, declared on Wednesday that he will vote for the North American Free Trade Agreement.

Studds made his announcement less than a week after the House of Representatives, with a last-minute nudge from President Clinton, passed a $1.2 billion maritime subsidy program Studds had sponsored.

The program is meant to preserve the US merchant fleet and to keep American shipyards compete internationally.

The House action, combined with other efforts by Studds, could result in hundreds of new jobs at the former General Dynamics shipyard in Quincy. Although the Studds-sponsored bill does not explicitly earmark funds for Quincy, Studds has been pushing for federal assistance for the shipyard.

NAFTA foes see a connection between Clinton's help on the subsidy program and Studds' announcement.

"The administration's support is finding federal money while it was simultaneously and almost desperately seeking Congressional votes on NAFTA is noteworthy," said a Massachusetts labor activist and NAFTA opponent who would not allow his name to be used.

Studds' aides and administration officials deny such a link. "The administration's support isn't what made this bill fly," said Steve Schwindron, Studds' chief of staff. "There is absolutely no connection between Studds' NAFTA vote and the administration's support for shipbuilding initiatives."

But a senior White House official acknowledged that Clinton intervened in support of the bill when he was also seeking Studds' support for NAFTA.

The 109-year-old shipyard is located in Studds' district. A rusting hulk of what was once the engine of the South Shore, the shipyard employed 82,000 people at its peak in World War II.

Now, just 77 work there, and they suffer cyclical layoffs. "We're barely holding on," the shipyard's manager, Donald Trudeau, said yesterday. "We're hanging by our last fingernail."

The $1.2 billion subsidy program needs Senate approval, but that is expected.

More shipbuilding money is stowed away in other bills. Pending legislation would provide $94 million in federal loan guarantees for shipyard modernization and ship construction across the country in fiscal 1994. And the House version of the 1995 defense appropriations bill earmarks up to $50 million for improving ship design and technical improvements to raise productivity.

According to the labor activist, when Studds privately explained his support for NAFTA to labor leaders last week, he also said he "would have good news about the shipyard."

Asked Friday for details, Studds spokesman Brendan Daley said: "We're not ready to make any announcements. Talking about it could jeopardize what we're working on."
Plutonium Project Deal

Terms of Unfulfilled Deal:

Government-funded plutonium research laboratory announced by Energy Secretary Hazel O'Leary

Target Vote:

Representative Bill Sarpalus (D-TX)

'To secure Rep. Bill Sarpalus’ NAFTA vote in 1993, the Clinton Administration promised a new government funded laboratory to complement and expand the Pantex nuclear weapons facility in Amarillo, Texas. Rep. Sarpalus boasted to the Lubbock Avalanche-Journal that the future lab would explore the "positive side of plutonium," one of the most toxic substances on earth.'

The Pantex lab deal never materialized. Instead, rather than adding to the Pantex facility, the Department of Energy has been shrinking it. In 1996, 350 jobs were trimmed when the Department started phasing out the site’s weapons dismantling work. Estimated total job losses were as high as 2,100 out of a total workforce of 2,950 — 71%. An effort in 1998 to shore up the Pantex operations by converting it to a nuclear fuel-rod plant (saving hundreds of jobs) failed out when the Energy Department chose a South Carolina plant over the Amarillo location.

The Amarillo National Research Center, a consortium of local universities which provides graduate-level research in nuclear sciences, might have counted as the research laboratory that Rep. Sarpalus was looking to fund, but it never received federal funding. Federal funds earmarked for the center in the 1999 budget were transferred to Pantex, and in 2000 the Energy Department withdrew funding for the research center altogether.

The Pantex facility has been mired in local controversy — it is on the EPA’s superfund National Priorities List. Waste from the site has contaminated 900 acres of soil and 1.5 billion gallons of groundwater.

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1 “Sarpalus to Exchange Vote for Panhandle Research Lab,” Lubbock Avalanche-Journal, Nov. 11, 1993
5 “DOE Halts Center’s Funding,” Amarillo Globe-News, Jan. 19, 2000
6 EPA Region 6 Superfund Site Status Summaries, Pantex Plant EPA ID TX4890110527, May 1, 2000
Sarpalius to exchange vote for Panhandle research lab

FORT WORTH (AP) — A prestigious National Research Laboratory that could lead to expansion of the Pantex nuclear weapons complex will be built in the Texas Panhandle, according to the Fort Worth Star-Telegram.

Sources told the newspaper that U.S. Rep. Bill Sarpalius, an Amarillo Democrat being wooed to vote for the North American Free Trade Agreement, will back the pact as a result.

Energy Secretary Hazel O'Leary was expected to announce the lab's creation at a dinner tonight for Sarpalius.

"I don't want to scoop her announcement," Sarpalius said. "That's what we're anticipating."

Sarpalius has long sought a national research lab to complement Pantex, America's primary site for the dismantling of nuclear bombs. Plutonium recovered from the bombs is being stored temporarily at the 16,000-acre plant 17 miles north-northeast of Amarillo.

Sarpalius said the new lab would study peaceful uses for the radioactive element.

"We spend billions of dollars figuring out how to blow up the world and never explored the positive side of plutonium," he said.

Pantex boosters hope the lab would improve the facility's chances of becoming a consolidated Department of Energy center. Such expansion, in a decision to be announced next year, could bring 8,000 jobs.

But farmers and environmentalists fear additional nuclear work and long-term storage of plutonium over the Ogallala Aquifer.
Durum Wheat Deal

Terms of the Unfulfilled Deal

Promise from the Administration to crackdown on Canadian wheat subsidies

Targeted Votes:

Representative Bill Sarpalius (D-TX) and Representative Glenn English (D-OK)

In order to obtain votes from several Representatives in wheat-growing districts, the White House offered to investigate transportation and other subsidies that Canadian wheat growers enjoy to the detriment of competitors in America. In a letter to Representative English (D-OK), President Clinton promised to send the Secretary of Agriculture to negotiate remedies with the Canadian government and have the ITC investigate the impact the subsidies have on American growers. The letter did not impress some agriculture officials from wheat growing states, who had similar concerns when the U.S. negotiated a bilateral trade agreement with Canada in the 1980s which included wheat provisions.

When a dispute arose between the U.S. and Canada over these subsidies, the provisions of the existing bilateral pact were not used or followed. "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," North Dakota Agriculture Commissioner Sarah Vogel wrote before the NAFTA vote, warning against new "promises." Her prediction was that President Clinton’s promise would be equally hollow, and she was right.

The Clinton Administration did perform an investigation which found that "Canadian imports did cause material interference" with domestic production, according to a Congressional staffer. After negotiations, Canada voluntarily entered into a one-year agreement to limit its wheat exports to the U.S. However, five years after the limit ended, U.S. wheat imports from Canada climbed 17% by 1999, but U.S. exports to Canada declined by 51% over the same period. The level of outrage by wheat farmers over the situation has resulted in electoral turmoil and physical blockades of the U.S.-Canada border. However, no remedy has been provided by the Clinton Administration.

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36 Letter from President Clinton to Representative Glenn English, Nov. 15, 1993.


38 Interview by Public Citizen’s Global Trade Watch with Congressional Legislative Director to Representative Pomroy, Oct. 16, 1997

39 U.S. Imports of Agricultural Products from Canada and Exports to Canada, from USDA BICO data
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 and 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
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,

Bill Clinton

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

Terms of the unfulfilled Deal: Commitment from Justice Department to deport Mexican immigrants held in U.S. prisons

Target Votes: Representative Jay Kim (R-CA), Representative Carlos Moorhead (R-CA), other California representatives

In an effort to secure votes from undecided California Members, the Clinton Administration agreed to increase enforcement of an existing prisoner transfer treaty with Mexico and begin negotiations on a new one.

The existing treaty allowed the U.S. to transfer Mexican immigrants with improper immigration status and serving U.S. prison terms to Mexican prisons. Participation was voluntary: only immigrants who consented to be returned could be transferred to Mexico. The Administration promise was delivered by Attorney General Janet Reno in a letter to Representative Jay Kim, according to a press release issued by Kim on November 16, 1993.

Although the Administration promised to increase the number of inmates without proper immigration status to be returned to their country of origin, action was not forthcoming. Three years later, Congress took action by authorizing the Immigrations and Naturalization Services (INS) to initiate removal hearings for incarcerated “criminal aliens” and deport them.²⁰

Yet, even after congressional action, Administration implementation failed. In a 1998 study, the General Accounting Office (GAO) found that there was “limited improvement since 1995” in deporting “criminal aliens.” Avoidable costs to the taxpayer associated with housing these deportable prisoners were $40 million in 1997. Analysis of California’s deportable prisoners found that only 46% received final orders of deportation, the lowest of any state examined, and 14% still had not been through INS’ deportation program nine months after being released from prison.²¹

Additionally, while Representative Kim’s statement indicated that the Administration agreed it would negotiate a new prisoner transfer treaty with Mexico, seven years later, the U.S. has not negotiated a new treaty.

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²⁰Immigrant Responsibility Act of 1996, Public Law 104-208

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 retraining 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.
The Peanut Butter and Peanut Paste Deal

Terms of the Unfulfilled Deal: Commitment from the President to investigate peanut import problems

Target votes: Representative Glenn English (D-OK) and Representative Bill Sarpal (D-TX)

In a typical promise letter from the White House, this one sent to Representative Glenn English (D-OK), President Clinton gave assurances that the government would investigate peanut import problems. Another target on peanuts was Representative Bill Sarpal (D-TX).

Specifically, President Clinton promised he would request that the U.S. International Trade Commission (ITC) investigate the peanut import situation. The ITC was to investigate whether "imports are being or are practically certain to be imported into the United States under such conditions, and in such quantities interfere with, the peanut program of the Department of Agriculture."23

But this promise never came to fruition, and the situation for American peanut producers has gotten worse because of NAFTA and other trade deals.

Indeed, the importation of peanut paste from Canada, made from some of the 11 million tons of peanuts grown in China, is "expanding," according to the National Peanut Growers Group. U.S. peanut exports have been cut in half between 1991 and 1998.24 Of the hundreds of counter-veiling duty and import surge investigations performed by the ITC since 1993 when President Clinton promised peanuts from Canada would be examined, no peanut investigation was performed though there have been investigations of aluminum horseshoes, bicycle speedometers, and kiwi fruits.25

According to an ITC commodity analyst, a peanut report was initiated by the ITC, but then it was suspended at the request of President Clinton before the ITC could issue a final report or make recommendations.26

23 Letter from President Clinton to Representative Glenn English, Nov. 15, 1993
24 Testimony of Dan Hunter, National Peanut Growers Group, before the WTO Listening Session, Austin, Texas, July 8, 1999
25 ITC Final Results of Administrative Reviews, 1980 to Present, data through Jan 1, 2000
26 Interview by Public Citizen's Global Trade Watch, with ITC commodity analyst Steven Burkitt, Nov. 16, 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 Agreement (NAFTA).

I know that peanut growers are concerned about imports of peanut butter and peanut pastes 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 pastes 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, 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 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 into 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,

Bill Clinton

The Honorable Glenn English
House of Representatives
Washington, D.C. 20515
The Textile and Apparel Deal

Terms of the Unfulfilled Deal: Textile and apparel concessions promised in a letter from President Clinton.

Target Votes: Representative Herbert H. Bateman (R-VA), Representative Howard Coble (R-NC), Representative George Darden (D-GA), Representative Nathan Deal (D-GA), Representative E.G. Heftner (D-NC), Representative Don Johnson (D-GA), Representative Blanche Lambert (D-AR), Representative Marilyn Lloyd (D-TN), Representative J. Roy Rowland (D-GA), Representative John Spratt (D-SC), and Representative John S. Tanner (D-TN).

Cost to Taxpayers: $15 million to enforce

To garner as much support as possible from Members of Congress representing states with strong textile and apparel industries, President Clinton promised to deliver a slower phase-out of quotas at the negotiations that were in progress for the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). Instead of a 10-year phase out of quotas, U.S. negotiators at the Uruguay Round talks were to deliver a 15-year phase out the President pledged before the NAFTA vote.22 One month later, however, U.S. negotiators accepted the 10-year phase out of textile and apparel quotas.23

The domestic textile and apparel industry has been one of the hardest hit by low-wage imports in recent years. After NAFTA, these jobs have been eliminated at an alarming rate, faster than NAFTA lay-offs in other industries and accounting for 41% of all NAFTA job loss certifications. Since NAFTA, the U.S. apparel industry has lost more than 82,000 jobs, and the textile industry has lost more than 13,000 jobs.24

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22 Letter from President Clinton to Representative John M. Spratt, Nov. 16, 1993
24 NAFTA Transitional Adjustment Assistance data, as of March 2000
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 116 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 me 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 redeliverability 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 exporting 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 Multi-Fiber 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 phasing out of tariff reductions and quota increases. 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 phased in a period at least as long as the phase-out period in the GPA. As I mentioned, I do not dispute 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...
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,

Yours,

[Signature]

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

Terms of the Unfulfilled Deal: Commitment from Clinton Administration to protect the broomcorn broom industry if the U.S. was swamped by Mexican imports.

Target Vote: Representative Hobson (R-OH)

The Clinton Administration put language into the NAFTA implementing legislation stating it would monitor Mexican imports of broomcorn brooms once the tariffs were eliminated under NAFTA and take necessary action to protect the small U.S. industry from surging imports. This promise was designed to secure the vote of only one House member, Representative Hobson, who represented the 500 U.S. workers in the entire broomcorn industry, many of whom are blind craftsmen.

In March 1996, the U.S. Cornbroom Task Force, representing the U.S. industry, filed a petition with the U.S. International Trade Commission to start NAFTA Article 302 protections. The ITC ruled that the U.S. cornbroom industry had indeed suffered serious injury sufficient to trigger the NAFTA safeguards and other U.S. trade laws. However, despite the promises to the contrary, the Administration opted not to use the more protective safeguards available under the 1974 Trade Act, and instead used the “snap back” protections in NAFTA to restore the broomcorn broom tariffs to their pre-NAFTA levels. This NAFTA provision offers as a remedy modest tariff increases on broomcorn goods (frequently under a few dollars) which can be in place for no more than three years.

Two weeks after the tariffs were raised in November 1996 in response to the ITC’s report, however, Mexico responded with a retaliatory tariff on eight products. Ironically, one of them was flat glass and another was on wine, which the President had made separate NAFTA deals to protect corn different Members of Congress.

Then Mexico filed a formal NAFTA challenge to the U.S. imposition of NAFTA safeguards. The NAFTA Tribunal ruled against the U.S. The U.S. 1998 Trade Estimate Report stated that the U.S. lost the NAFTA dispute because “of a technical flaw” in the ITC’s finding of injury. The Journal of Commerce noted that “The broom case, incidentally, demonstrates the limited relief that Section 302 of the NAFTA” provides. Yet, despite a promise to the contrary, the Clinton Administration never initiated action under the U.S. trade law.

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29 NAFTA Statement of Administrative Action, Chapter 3 (B)(2)(d)

30 Trade Act of 1974 section 202, as amended; the U.S. Cornbroom Task Force filed for relief under both the 1974 law and NAFTA

31 NAFTA section 201

32 National Trade Estimate Report, Mexico, 1997


34 National Trade Estimate Report, Mexico, 1998

From the NAFTA Statement of Action, Chapter 3, section (B)(2)(d.)

2. Administrative Action

4. Broccoli Brains

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

Terms of Unfulfilled Deal: Promise by Mexican Attorney General to extradite a suspected rapist to the U.S. if caught by Mexican authorities

Target Vote: Representative E. Clay Shaw (R-FL)

In November of 1993, Representative Shaw announced he would vote for NAFTA on the basis of assurances that the Mexican government would extradite suspected rapist Serapio Zuniga-Rios to the U.S. if he was caught.

Rios had been accused of raping the young niece of one of the Representative’s staffers. Negotiations were conducted with the Mexican government to get assurances that Rios would be returned. That promise came in a letter to U.S. Attorney General Janet Reno from Mexican Attorney General Jorge Carpizo. Shaw had stated that he would vote against NAFTA without Mexico’s promise to abide by its extradition treaty with the U.S. 40

In 1996, the Mexican government quietly announced it would send Zuniga-Rios to America. He had been held in a Mexican prison since 1993 for the U.S. rape, but the Mexican constitution prohibits extradition except in exceptional circumstances. Mexican officials were willing to define those circumstances as applying to Rios because of his “heinous crimes,” U.S. State Department officials said. 41

Yet a year and a half later, Mexico had not followed through on its agreement to return Zuniga-Rios 42 and as of May 2000, according to staff at Representative Shaw’s office, Zuniga-Rios is still in prison in Mexico. 43

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40 Press Release from Congressman E. Clay Shaw, Nov. 15, 1993
41 “Mexico to Allow Extradition to U.S.,” Dallas Morning News, Mar. 29, 1996
42 Interview by Public Citizen’s Global Trade Watch with Representative Shaw’s Press Secretary, Nov. 22, 1997
43 Interview by Public Citizen’s Global Trade Watch with Representative Shaw’s Trade Legislative Assistant, May 10, 2000
CONGRESSMAN
E. Clay Shaw
22nd Congressional District, Florida

NEWS RELEASE

IMMEDIATE RELEASE
NOVEMBER 15, 1993

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.
Cut Flowers Deal

Terms of the Unfulfilled Deal:

The Clinton Administration promised to monitor cut flower import surges from Mexico

Target Vote:

Representative Sam Farr (D-CA)

The Clinton Administration added language to the NAFTA implementing legislation that directed the Agriculture Department to monitor Mexican flower import volumes, prices and quality.\(^{49}\) The deal was aimed at mollifying Representatives from flower-growing districts.

The cut flower industry had been struggling for years trying to compete against unfair imports, but according to Lee Murphy of the California Cut Flowers Council, instead of establishing prompt safeguards “NAFTA was like rubbing salt in the wound.”\(^{50}\) Each year, 10% of American producers are driven out of business by low-wage foreign competitors, especially with the importation of Mexican roses, according to the California Cut Flowers Council and the Floral Trade Council.\(^{51}\)

Representative Sam Farr, who voted for NAFTA after receiving assurances that cut flower imports would be monitored and surges protected against, voted against the President’s Fast Track proposal in 1998.

\(^{49}\) NAFTA implementing legislation Subtitle B section 321(e)

\(^{50}\) Interview by Public Citizen’s Global Trade Watch with Lee Murphy, California Cut Flowers Council, May 11, 2000

\(^{51}\) Interview by Public Citizen’s Global Trade Watch with Betty Stone, California Cut Flowers Council, Oct. 16, 1997
Congress of the United States  
House of Representatives  
Washington, D.C. 20515-0517

Dear Colleague:

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

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 $300 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 business owners.

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 an opportunity to trade agreements 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
quest consultations in the Working Group on Emergency Action, established in the Understanding Between the Parties to the North American Free Trade Agreement Concerning Chapter Eight—Emergency Action, if imports of peanuts exceed the in-quota quantity under a tariff rate quota set out in the United States Schedule to Annex 302.2 of the Agreement concerning whether—

(A) the increased imports of peanuts constitute a substantial cause of, or contribute importantly to, serious injury, or threat of serious injury, to the domestic peanut industry; and

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

(e) Fresh Fruits, Vegetables, and Cut Flowers—

(1) In General.—The Secretary of Agriculture shall collect and compile the information specified under paragraph (3), if reasonably available, from appropriate Federal departments and agencies and the relevant counterpart ministries of the Government of Mexico.

(2) Designation of an Office.—The Secretary of Agriculture shall designate an office within
the United States Department of Agriculture to be
responsible for maintaining and disseminating, in a
timely manner, the data accumulated for verifying
citrus, fruit, vegetable, and cut flower trade between
the United States and Mexico. The information shall
be made available to the public and the NAFTA Ag-
riculture Committee Working Groups.

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

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

(B) monthly citrus juice production and
export data;

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

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

(i) planted and harvested acreage; and

(ii) wholesale prices, quality, and

grades.

(4) END-USE CERTIFICATES.—