EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

OFFICE OF PUBLIC & MEDIA AFFAIRS

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Washington, D.C. 20508
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UNITED STATES DEPARTMENT OF COMMERCE NEWS
WASHINGTON, D.C. 20230

OFFICE OF THE SECRETARY

Thursday, August 18, 1994
FOR IMMEDIATE RELEASE

Contact: Maria Cardona
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NAFTA'S FIRST SIX MONTHS POSITIVE

Washington -- Commerce Secretary Ronald H. Brown said figures released today show that U.S. trade with Canada and Mexico in the first six months under the North American Free Trade Agreement (NAFTA) increased sharply. Those additional exports are "stimulating economic growth and job creation."

"In the first six months of 1994, the elimination of tariff and non-tariff barriers through NAFTA contributed to an increase in U.S. exports to Canada and Mexico of $8.3 billion, an 11.6 percent increase over the same period in 1993," Secretary Brown said.

June's trade figures signify that U.S. trade with its NAFTA partners is growing substantially faster than U.S. trade as a whole. While exports to the world grew at a healthy rate of 4.8 percent, U.S. exports to North America were up 11.6 percent during the first six months of the year.

"NAFTA is clearly living up to its promise as President Clinton anticipated," stated Secretary Brown. "As trade barriers in North America are coming down, the economy and citizens of our nation, as well as Mexico and Canada, are clearly benefiting."

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SUMMARY OF TRADE TRENDS UNDER NAFTA: JANUARY-JUNE, 1994

The North American Free Trade Agreement, in effect since January 1, 1994, is already living up to its promise. U.S. companies are selling more high-value products — such as automobiles and computers — than they have in the past, thanks to NAFTA's reduction of Mexico and Canada's tariff and non-tariff barriers. These export sales are generating more, higher paying jobs. Safeguards built into the NAFTA to enable economic sectors and workers to adjust to free trade — such as long tariff phase-outs for import-sensitive products — are doing their job, while Agreements to help foster cooperation on labor and environmental issues are being implemented. Finally, the inevitable problems that can develop in a trade relationship as large as the one in North America are being addressed within the NAFTA framework — a framework that we did not have before.

NAFTA IS WORKING FOR U.S. EXPORTS AND JOBS

U.S. exports to North American are outpacing overall export growth.

- Exports to North America are growing faster than to the rest of the world. While U.S. exports to the rest of the world grew at a healthy rate of nearly five percent during the first six months of this year, U.S. exports to North America were up nearly 12 percent during the same period. So far this year, exports to Canada and Mexico are responsible for more than 52 percent of overall export growth.

U.S. exports to Mexico are booming.

- U.S. exports to Mexico are at record levels. Up almost 17 percent, U.S. exports to Mexico reached a record $24.5 billion in the first six months of this year. Currently, U.S. exports to Mexico are running at an annualized rate of $48.9 billion, up more than $7.3 billion from the 1993 level of $41.6 billion.

Trade with Canada is up too.

- Trade with our largest trading partner, Canada, is also on the rise. In the first six months of this year, U.S. exports to Canada were up approximately 10 percent or $4.8 billion over the same period last year, to over $55.6 billion.

This increase in exports could support up to an estimated 100,000 new jobs in 1994.

- These are high-skill, high-paying jobs in sectors like autos, machinery, and computers.

Our trade surplus is expanding.

- Our trade surplus with Mexico is expanding this year, after experiencing a decline in 1993. On the basis of the first six months, if current trends continue, our surplus with Mexico will exceed $2.1 billion, greater than the $1.6 billion surplus in 1993.

... to Japan.

- Underscoring the importance of the Mexican market to U.S. month in a row, in June, U.S. exports to Mexico (of $4.2 bill. Japan (of $4.0 billion), on a seasonally-adjusted basis, making largest export market.

U.S. imports from Mexico and Canada are also up.

- At $23.4 billion (vs. $19.4 billion in 1993), imports from Mexico were percent during the January-June period, reflecting solid economic rec United States, and demonstrating the mutual benefits of NAFTA. Du six months of this year, imports from Mexico were running at an annu $46.8 billion, up $6.8 billion from imports of $40 billion in 1993.

- U.S. imports from Canada were also up, rising to $61.4 billion in the first of 1994, compared to approximately $55.9 billion over the same peric During the first six months of this year, imports were running at an annu of approximately $122.9 billion, up $12 billion from 1993, helping economic recovery in Canada.

NAFTA IS INCREASING U.S. EXPORTS IN ALL MAJOR SECTORS

The reduction of Mexican trade barriers has caused U.S. exports to take off.

- On January 1, one-half of U.S. exports entered Mexico duty-free under N within five years, nearly two-thirds will be eligible to enter Mexico duty-free.

- U.S. exports in categories made duty-free by NAFTA reached $4.4 billion in t five months of this year. This is an increase of 18 percent as compared to a overall growth of 15 percent.

- Major increases have taken place in U.S. exports of automatic data proce equipment (such as computers), semiconductors, cathode-ray tubes for televi and agricultural machinery.

We are exporting high-value products to Mexico.

- We are exporting more high value products such as automobiles, electronics, consumer goods to Mexico since the NAFTA was implemented.

Reduced Mexican barriers to U.S. exports of automobiles are benefitting our industry.

- In the first five months of 1994, the U.S. automobile industry exported 12,3 passenger vehicles to Mexico, a vast improvement over the 3,630 units shipped durir the same period last year, and more than total passenger vehicle exports for 199 (10,910).

- According to the American Automobile Manufacturers Association, Big Three auto exports from the U.S. and Canada to Mexico reached 23,275 units in the first six months of NAFTA implementation. This is a sharp increase over the same period of 1993, when only 3,791 units were exported. Chrysler, Ford and GM are expecting to export a combined 55,000 cars and trucks to Mexico in 1994.

- The U.S. is exporting Chrysler Jeep Cherokees and Wranglers, Ford Escorts, Mustangs, Explorers and Sables. In the first half of this year, General Motors exported more than 4,500 passenger cars and trucks to Mexico, up sharply from the less than 350 vehicles it exported to Mexico during the first half of 1993.

U.S. exports of consumer products are growing as fast, or faster than overall exports.

- In the first five months of this year, the U.S. exported over $2 billion of consumer products to Mexico, an increase of over 16 percent from last year. Mexico is the United States' third largest market for consumer goods.

- High demand products include cosmetics and toiletries, household furniture and household furnishings, including sheets and towels.

- U.S. companies such as Ace Hardware, Springs Industries (household textiles) and Hooker Furniture are all expanding their presence in Mexico, and attribute their success to NAFTA.

Agricultural exports are also up.

- U.S. exports of apples have particularly benefited from the NAFTA's elimination of tariffs and import licenses. In the first five months of 1994, U.S. apple exports to Mexico increased almost 90 percent, to $58 million. This exceeds $56.7 million of apples exported in all of 1993, which was a record year. In 1990, apple exports to Mexico were only $6.8 million.

- NAFTA has also benefitted U.S. exports to Mexico of fresh and frozen cuts of beef. Prior to NAFTA's implementation, Mexico had a 25 percent tariff on imports from the U.S. of these products. NAFTA eliminated this tariff, and U.S. exports increased 51 percent, to $82 million, in the first five months of the year.

Our financial services providers are benefiting from the Agreement.

- NAFTA opened up the Mexican banking market for the first time in fifty years. As a result, U.S. financial institutions, including Chemical Bank, Citibank, Bank of America, Chase Manhattan and Nationsbank have applied to establish subsidiaries in Mexico.

NAFTA IS A NET JOB CREATOR

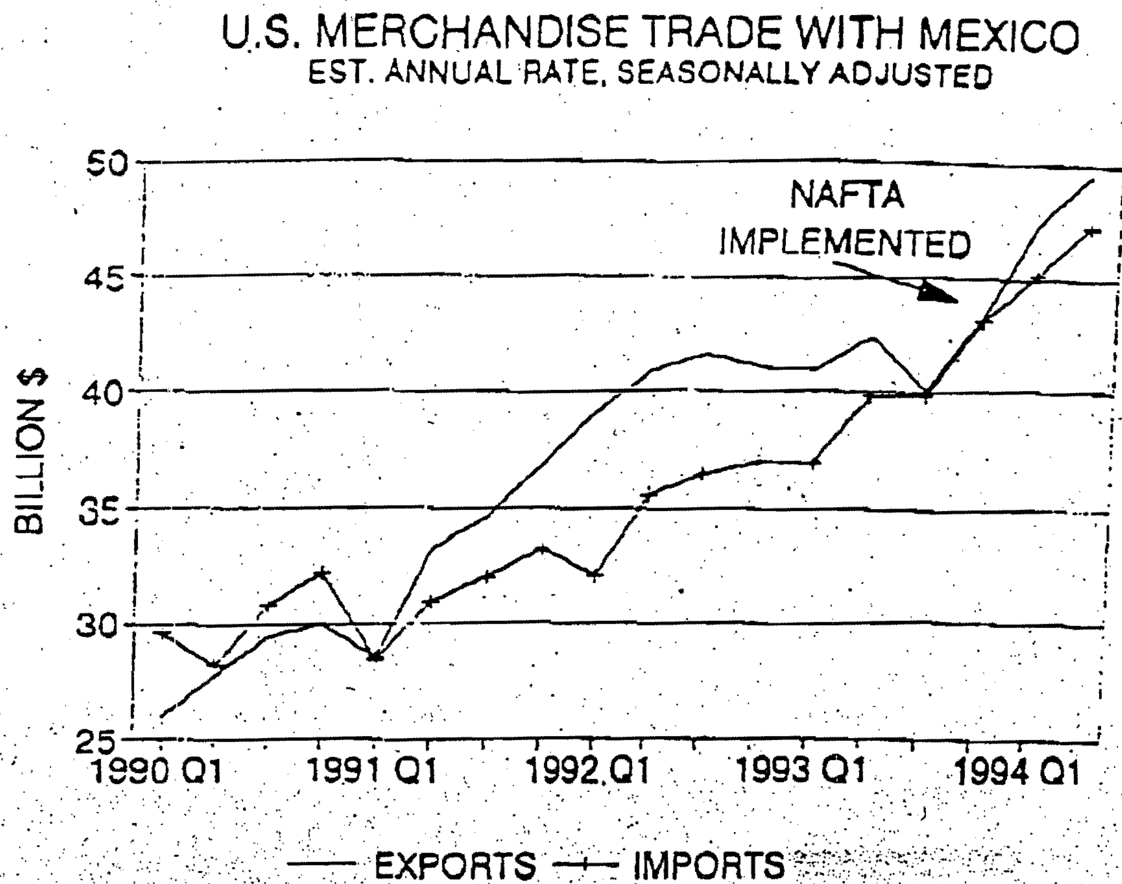
From December 1993 to June, 1994, the U.S. economy has generated 1.7 million new net jobs; NAFTA has contributed to this growth.

- Approximately 1.7 million more Americans were employed in June of 1994 than December of 1993, with exports to Mexico and Canada contributing up to an estimated 100,000 of these jobs. According to the Bureau of National Affairs, monthly turnover in the labor market was estimated at .8 percent in the first three months of 1994, or approximately 2.9 million for the first quarter of 1994.

Job dislocations have been minimal.

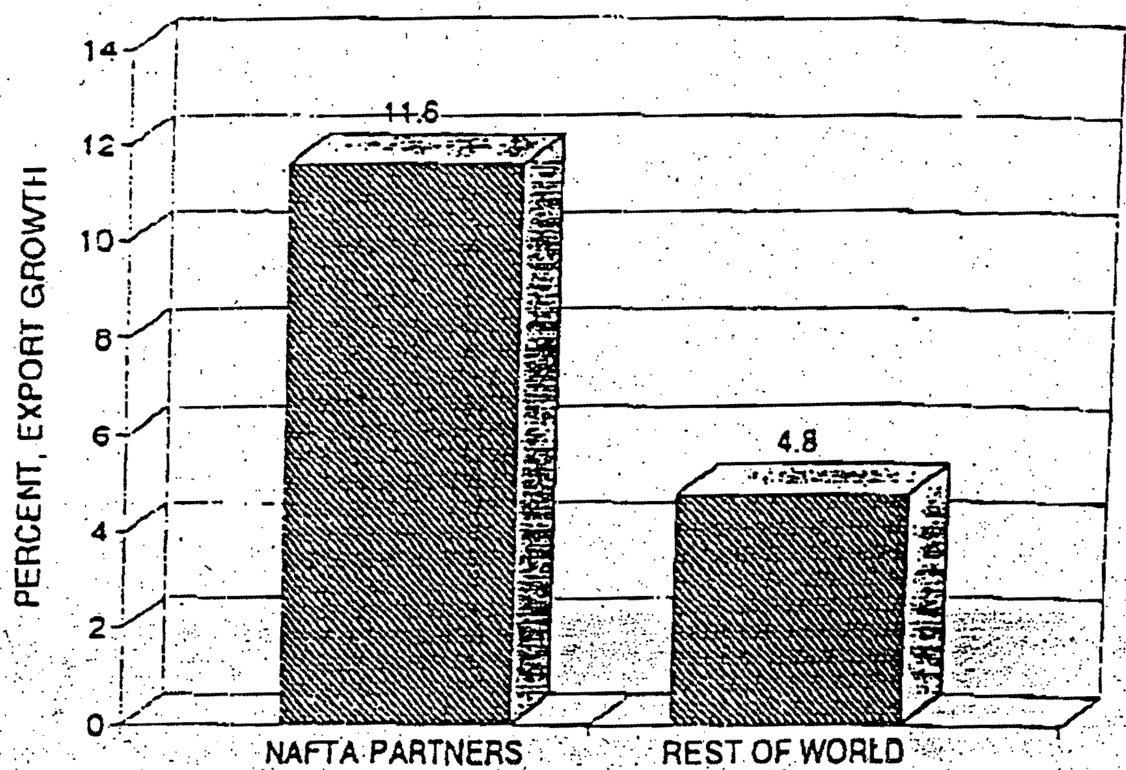
- Identified job dislocations associated with NAFTA have been minor. As of June 30, 1994, 4,820 employees had been certified for assistance under the Labor Department's NAFTA Adjustment Assistance Program. [It should be noted that this program does not require that a linkage between NAFTA and dislocation be demonstrated.]

With NAFTA, U.S. exports to Mexico are growing rapidly. . .



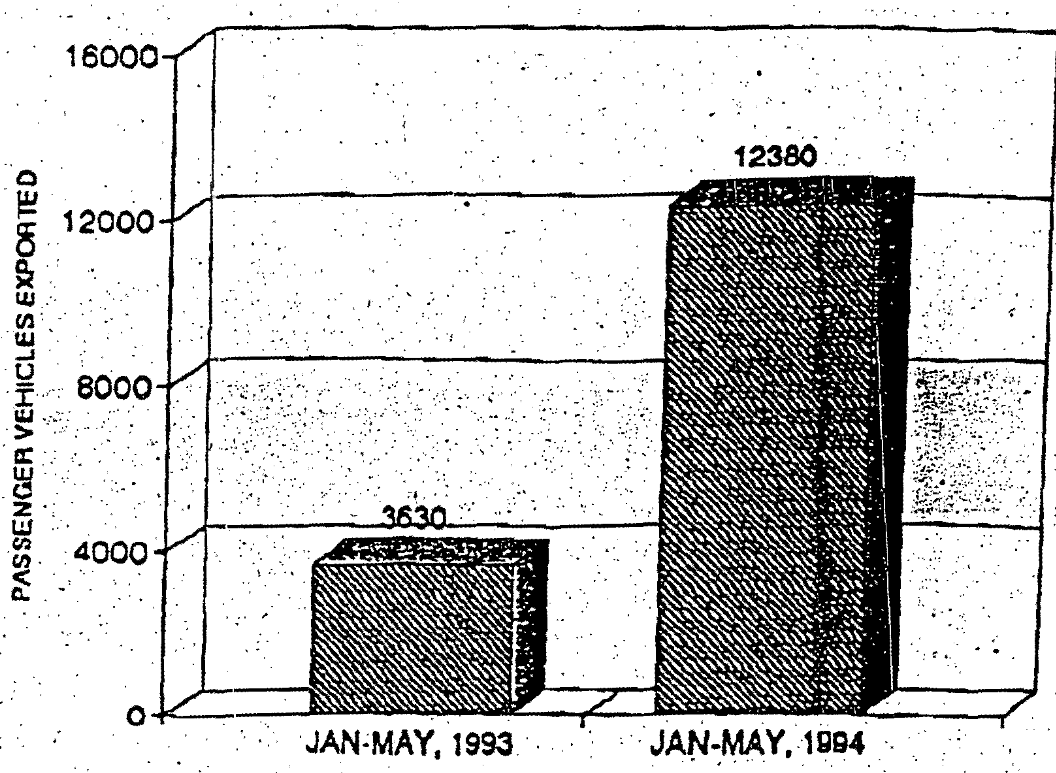
and exports to our NAFTA partners are growing more than two times faster than exports to the rest of the world.

EXPORT GROWTH TO NAFTA PARTNERS AND ROW
JAN-JUNE 1993 VS. JAN-JUNE 1994



With NAFTA's automotive provisions, exports of U.S. automobiles during the first five months of 1994 have increased 241% over the first five months of 1993.

EXPORTS OF AUTOMOBILES UNDER NAFTA
JAN-MAY, 1993 VS. JAN-MAY, 1994



U.S. COMPANIES SEE RESULTS UNDER NAFTA

Harris Corporation

Harris Corporation has been awarded a $30 million contract to upgrade television stations in 58 Mexican cities. Harris will provide television transmission equipment and satellite communications systems for TV Azteca S.A. de C.V. "What is most significant about this contract award, next to the employment impact for Harris Broadcast of Quincy, Illinois is the critical role NAFTA played. Our primary competition for this business was a company from a non-NAFTA country whose bid was based on production of the equipment outside of North America. Because of the complete elimination of tariffs under NAFTA, Harris Broadcast enjoyed a significant pricing advantage that its competitor simply could not overcome," said Michael Riksen, Director, Federal Affairs.

Chrysler

The first 1994 Dodge Intrepid headed for Mexico rolled off Chrysler's Newark assembly line on March 24. Chrysler plans to export 2,500 Newark-built Intrepids to Mexico in 1994. "This is one more sign of what the North American Free Trade Agreement has done for America," Chrysler Chairman Robert Eaton told Newark employees at a town hall meeting earlier in the week.

Ellicott Machine Corporation

On January 3, 1994, Ellicott Machine Corp. announced that it had sold two Series 370 Dragon dredges to two leading Mexican construction firms. The red, white, and blue dredges were named by their purchasers in honor of Presidents Clinton and Salinas for their successful work on NAFTA. Ellicott's exports to Mexico had faced high pre-NAFTA duty rates which created a strong impediment to additional sales to Mexico. "Under NAFTA our products have lower tariffs, and we expect more exports to Mexico as a result. Since January 1 we have sold more to Mexico than in the prior three years combined; these sales generated seven man-years of work for us. I think this shows a direct cause and effect relationship developing due to NAFTA," said Peter Bowe, CEO of Ellicott.

DeVilbiss/Pulsair

DeVilbiss/Pulsair, a manufacturer of medical equipment, has increased exports to Mexico from zero to $4 million in two years. Assisted by NAFTA, Pulsair anticipates 1994 sales of over 2,000 units. Profits from Mexican exports have contributed to an expansion of R&D efforts. Pulsair's V.P. Mark Novak believes eliminating trade barriers brings benefits to U.S. workers: "With NAFTA's lower tariffs, market activity will increase and sales have no way to go but up. Hand in hand goes increased U.S. employment at rates far above minimum wage."

Ford Motor Corporation

Ford plants throughout the United States are now in full gear under NAFTA. By 1996. Ford exports to Mexico from the United States and Canada are expected to surpass 50,000 units annually compared with 1,700 units shipped in 1993. To meet increased Mexican demand: Ford is shifting production of its Mexico-bound Thunderbirds and Cougars from Mexico to its plant in Lorain. Ohio. The Lorain plant will produce 3,400 Thunderbirds and Cougars this year for Mexican consumers. "Ford supported NAFTA because we believed that the new trade agreement would benefit the economies of the United States, Canada, and Mexico--and our industry in particular. The new Mexican export program is a good example of the early benefits of NAFTA," said Edward Hagenlocker, President of Ford Automotive Operations.

Ace Hardware

Last year Ace Hardware promised to open a new U.S. plant if NAFTA passed, and company headquarters here reports plans are now underway to open a second paint manufacturing facility in Texas. Although the city has not been determined, the $26 million investment is on schedule, and is a result of NAFTA. "NAFTA has helped Ace Hardware, a growing business, grow even faster," said John J. Cameron. Director of Corporate Relations. "Consumer confidence in Mexico has been raised by the ratification of the agreement. In the two months since the agreement has gone into effect, sales are up a whopping 125%. Our total exports to Mexico have increased 40-fold in 3 years." Over 1,000 Ace jobs and over 2,500 suppliers are supported by Ace's sales to Mexico. In the past year, 25 U.S. workers were hired to serve Mexico, 9 since NAFTA's passage last year.

Gloria Jean's Coffee

Gloria Jean's Gourmet Coffees, and its parent company, Brothers Gourmet Coffees, announced the opening of at least twelve stores, and possibly as many as seventeen stores, in Mexico by 1999. All of the coffees will be roasted in the company's Denver facility before they are exported to Mexico. According to Kevin Leary, Executive Vice President of Retail Operations, "NAFTA has created a renewed interest for everything that's manufactured in the United States - even coffee. The irony is that Mexico, which ranks fifth in world coffee production, has a population that is very eager to try coffee roasted in the United States. "There are already three Gloria Jean's franchises in Mexico City, with a fourth slated to open later this year. The flagship store in Insurgentes, Mexico City grossed 42 percent more in its first year of operation than does a typical mature store in the United States. Gloria Jean's joins other U.S. food retailers such as I Can't Believe It's Yogurt and Taco Bell in expanding their Mexican operations.

OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

FOR IMMEDIATE RELEASE
August 18, 1994

CONTACT: Anne Luzzatto
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(202) 395-3230

Statement by Ambassador Mickey Kantor

As expected, the North American Free Trade Agreement (NAFTA) has already begun to benefit the United States, witness 11.6 % growth in our trade with Canada and Mexico over the first 6 months of 1994. Most notable has been the effect of NAFTA on U.S. exports. We have increases in our exports to Canada of approximately 10% and to Mexico of 17% in virtually every major product category. From industrial supplies to consumer goods the growth rate of our exports in North America is more than twice what we export to the rest of the world. With 1.7 million more Americans employed in June 1994 than in December 1993 NAFTA has contributed an estimated 100,000 of these new jobs. This demonstrates how the Clinton Administration's efforts to tear down barriers to trade and investment benefit the private sector and the American worker. It is a tribute to the dynamism and international competitiveness of U.S. businesses, workers and farmers.

Even with today's good news, we need to redouble our efforts to make further progress opening foreign markets for U.S. goods and services. Congressional approval of the Uruguay Round implementing legislation is the most important step the United States can take. I look forward to working with the House-Senate conferees over the next few days, and the full Congress in September, as it moves to implement the Uruguay Round.

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TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20506

94-46

FOR IMMEDIATE RELEASE
August 18, 1994

Contact: Anne Luzzatto
Dianne Wildman
Kirsten Powers
Jamal Simmons
(202) 395-3230

KANTOR ANNOUNCES DESIGNATION OF BELARUS AND UZBEKISTAN AS GSP BENEFICIARIES

U.S. Trade Representative Mickey Kantor announced today that the United States has extended the benefits of the Generalized System of Preferences (GSP) to Belarus and Uzbekistan. Under the GSP program, the United States grants duty-free access to some 4,400 semifinished and agricultural goods from over 140 developing countries and territories.

"The proclamation that President Clinton signed yesterday should help advance the development of a free market economy in Belarus and Uzbekistan and provide an impetus to continue badly needed market reforms," Kantor said. "Preferential tariff treatment helps spur economic development through increased exports and trade-based investment," Kantor continued. "GSP is part of the Administration's overall efforts to ease Belarus and Uzbekistan's transition to a free market economy and encourage their integration into the international trading system."

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NEWS

United States Department of Agriculture
Office of Communications
News Distribution Room 506-A Washington, D.C. 20250

Release No. 0617.94

Tom Amontree (202) 720-4623
Eric Van Chantfort (202) 720-9443

USDA AND USTR SEEK PUBLIC CANDIDATES FOR U.S.-CANADA JOINT COMMISSION ON GRAINS

WASHINGTON, Aug. 12--The U.S. Department of Agriculture (USDA) and the Office of the U.S. Trade Representative (USTR) request applications from members of the public wishing to serve on the Joint Commission on Grains. Three to five individuals will be selected to represent the United States on the commission. The Canadian Government will select an equal number to represent Canada.

As provided for in the recent Memorandum of Understanding between Canada and the United States, a Joint Commission on Grains will be established to examine all aspects of the two countries' respective marketing and support systems for all grains and the effect of those systems on the Canadian and U.S. markets and on competition between the two countries in third country markets. The objective of the commission will be to make recommendations to assist the two governments in reaching long-term solutions to problems in the grains sector.

The members of the commission will be named by September 1, 1994. The commission should complete its preliminary report, with recommendations to both Governments, by May 1, 1995. The commission will remain in operation through July 31, 1995.

Application Format: Candidates must submit a written application no longer than two typewritten pages. Include the applicant's name, mailing address, telephone number, and a short statement of qualifications and/or resume. Applications must be received by 5 p.m., EDT, August 25, 1994.

Send to:

Deputy Administrator
International Trade Policy
Foreign Agricultural Service
United States Department of Agriculture
Ag Box 1020
Washington, D.C. 20250-1020
(Applications can also be faxed to 202-720-0069)

Selection Criteria: The individuals selected by USDA and USTR will be expected to represent the broad range of interests involved in the grains issues, invest significant personal time, and effectively communicate the final recommendations to all interested parties.

Compensation: The U.S. members of the commission will not be paid a salary, or any other compensation, for their service on the commission. Members will be reimbursed for their travel and per diem expenses at the official U.S. Government rate, in accordance with all applicable travel regulations.

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<u>Time and Travel Requirements:</u> The time required to serve on this commission will be extensive. Applicants should be fully prepared for a demanding schedule, which may include possible travel to locations in Canada and the United States.

<u>For Further Information Contact:</u>

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94-46

FOR IMMEDIATE RELEASE
Thursday, August 11, 1994

CONTACT: ANNE LUZZATTO
DIANNE WILDMAN
KIRSTEN POWERS
JAMAL SIMMONS

ADVISORY

The country-by-country sugar allocation figures released today by USTR have been corrected to match those numbers released by the US Department of Agriculture on August 8.

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WASHINGTON
20506

94-45

FOR IMMEDIATE RELEASE
Thursday, August 11, 1994

CONTACT: ANNE LUZZATTO
DIANNE WILDMAN
KIRSTEN POWERS
JAMAL SIMMONS

USTR ANNOUNCES ALLOCATION OF SUGAR TARIFF-RATE QUOTAS

United States Trade Representative Michael Kantor today announced the country-by-country allocations for sugar imports subject to the tariff-rate quota for the period August 1, 1994 through September 30, 1995.

This allocation is based on the countries' historical trade to the United States.

The total amount that may enter the United States during this period at the lower duty or duty-free levels was announced on August 8 by Secretary of Agriculture Michael Espy to be 1,322,978 metric tons, raw value. Any amount above this would be subject to the higher duty of 16 cents per pound, raw value.

Secretary Espy also announced that the quota period for the 1992/94 tariff-rate quota for sugar was shortened so that it ended on July 31, 1994 instead of September 30, 1994. Any amounts previously allocated to any country for the 1992/94 quota period that have not been entered by July 31, 1994 and that are entered during the 1994/95 quota period will be charged to the 1992/94 quota period.

Country-by-Country Allocations
Under the U.S. Tariff-Rate Quota

The United States Trade Representative has allocated to each of the following countries and areas preferential access for raw/refined sugars in the amounts listed below (raw value), for the period of August 1, 1994 through September 30, 1995.

Country/Area	HTS Percentage (of base quota)	Metric Tons (Raw Value)
Argentina	4.30	53,604
Australia	8.30	103,469
Barbados	0.70	8,726
Belize	1.10	13,713
Bolivia	0.80	9,973
Brazil	14.50	180,759
Columbia	2.40	29,919
Congo *	0.03	8,468
Costa Rica	1.50	18,699
Cote d'Ivoire *	0.03	8,468
Dominican Republic	17.60	219,404
Ecuador	1.10	13,713
El Salvador	2.60	32,412
Fiji	0.90	11,220
Gabon *	0.03	8,468
Guatemala	4.80	59,837
Guyana	1.20	14,959
Haiti *(1)	0.03	8,468
Honduras	1.00	12,466
India	0.80	9,973
Jamaica	1.10	13,713
Madagascar *	0.03	8,468
Malawi	1.00	12,466
Mauritius	1.20	14,959
Mexico *	0.03	8,468
Mozambique	1.30	16,206
Nicaragua	2.10	26,179
Panama	2.90	36,152
Papua New Guinea *	0.03	8,468
Paraguay *	0.03	8,468
Peru	4.10	51,111
Philippines	13.50	168,293
St. Kitts and Nevis *	0.03	8,468
South Africa	2.30	28,672
Swaziland	1.60	19,946
Taiwan	1.20	14,960
Thailand	1.40	17,453
Trinidad and Tobago	0.70	8,726
Uruguay *	0.03	8,468
Zimbabwe	1.20	14,960

* These countries have been allocated a minimum access level.
(1) Imports of sugar from Haiti are currently prohibited.

Country-by-Country Allocations
Under the U.S. Tariff-Rate Quota

The United States Trade Representative has allocated to each of the following countries and areas, preferential access for specialty sugar under the United States Tariff-Rate Quota, in the amount of 72 metric tons, raw value, for the period of August 1, 1994 through September 30, 1995:

Belgium
Burma
Cameroon
People's Republic of China
Denmark
Federal Republic of Germany
France
Hong Kong
Indonesia
Ireland
Italy
Japan
Kenya
Republic of Korea
Luxembourg
Netherlands
Netherlands Antilles
Suriname
Sweden
Switzerland
United Kingdom
Venezuela
Republic of Yemen

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 4, 1994

STATEMENT BY THE PRESS SECRETARY

President Clinton Receives Letter from 450 Economists Urging Prompt Ratification of GATT Agreement; Welcomes Support For Quick Passage

President Clinton received a letter today from 446 economists urging Congress to approve the Uruguay Round agreement immediately. Professor Bob Baldwin of the University of Wisconsin delivered the letter to Vice President Gore and CEA Chair Laura Tyson meeting in the Old Executive Office Building this morning.

President Clinton welcomed their support, saying "Economists know that the GATT agreement will help ensure long-term economic growth for America. GATT will add as much as $100 to $200 billion to the United States economy every year when fully implemented. That means hundreds of thousands of new jobs for American workers. Congress should pass GATT now so that the American people can begin to reap the benefits of expanded world trade as soon as possible."

In their letter, the economists warned against postponing ratification of the agreement until next year:

"We believe that implementing this legislation will provide substantial benefits to most Americans. Postponing the legislation until 1995 will delay these benefits and will burden the efforts of U.S. firms to expand their foreign markets. Delay will also weaken the international leadership position of the United States."

Three of the economists signing the letter had also signed the famous 1930 letter to President Hoover that warned against passage of the Smoot-Hawley Tariff Act. The President expressed his appreciation for their counsel:

"In his NAFTA debate last year, Vice President Gore made clear that the Smoot Hawley Act sharply increased U.S. tariffs and helped touch off the Great Depression. More than sixty years ago, these three men were wise enough to champion free trade and economic growth in the face of tremendous public opposition. We should heed their advice today and pass the GATT now."

Four Nobel laureates in economics signed the letter: Robert Solow, Paul Samuelson, Kenneth Arrow, and James Tobin. The letter from the economists is attached.

June 6, 1994

President William J. Clinton
The White House
Washington, D.C.

Dear Mr. President:

We strongly support the prompt implementation of the Uruguay Round trade agreement. This agreement provides greater access for American manufactured and agricultural goods abroad by reducing tariffs and limiting the ability of the European Union and other countries to subsidize their agricultural exports. As the world's leading exporter of commercial services, the United States will also gain from new international rules that begin the process of liberalizing trade in services. New multilateral rules that guard intellectual property rights will help American firms ward off the foreign pirating of US patents, copyrights and trademarks.

The Uruguay Round agreement requires developing countries to adhere more fully to the obligations of the GATT system, and it improves the process of settling trade disputes among nations. With these measures, US firms can better enforce their trading rights throughout the world.

We believe that implementing the agreement will provide substantial benefits to most Americans, while also raising living standards abroad. Postponing legislation until 1995 will delay these benefits and will burden the efforts of US firms to expand their foreign markets. Delay will also weaken the international economic leadership position of the United States. We urge you to put your full support behind immediate Congressional approval of the implementing legislation.

Sincerely,

NAME	UNIVERSITY
Raymond H. Lounsbury	Smoot-Hawley petitioner
Roy Blough	
Richard A. Lester	
Robert E. Baldwin	Univ. of Wisconsin-Madison
Glen G. Cain	
Donald A. Nichols	
Martin H. David	
Donald D. Hester	
Roger F. Miller	
Robert H. Haveman	

Robert Staiger	
Arik M. Levinson	
Yun Koo Che	
Wen-Ling Lin	
Kenneth D. West	
James R. Andreoni	
Jon Rust	
J. Manuelli	
Christopher Phelan	
Maria Muniagurria	
Barbara Wolfe	
W. Lee Hansen	
Theodore Mayan	
Gerald M. Lage	Oklahoma State University
Kevin M. Currier	
Michael Applegate	
Mary N. Gade	
Tim C. Ireland	
Joseph M. Jadlow	
William E. Morgan	University of Wyoming
John T. Tschirhart	
Shelby Gerking	
Ralph C. d'Arge	
Owen R. Phillips	
Frederic Sterbenz	
Joni Hersch	
Alison Del Rossi	
Lih-Jau Wang	
Erik Thorbecke	Cornell University
Robert Masson	
Tapan Mitra	
Karl Shell	
H. Wan, Jr.	
James Tobin -- (Nobel Laureate)	Yale University
Robert E. Evenson	
William D. Nordhaus	
Y. N. Srinivasan	
T. Paul Schultz	
Ray C. Fair	
Koichi Hamada	
Gene M. Grossman	Princeton Univ.
Ben Bernanke	
John Campbell	
Dilip Abreu	
B. Douglas Bernheim	
Peter B. Kenen	
Avinash K. Dixit	

John Ray Ralph Frasca Carl Chen Richard Pace Nancy Mohr Sam Gould Hamid Beladi Elizabeth Gustafson Ann Marie White	University of Dayton
Douglas Irwin	University of Chicago
Richard N. Cooper David Weinstein Oliver D. Hart Dwight H. Perkins Andreu Mas-colell N. Gregory Mankin John R. Meyer Richard E. Caves Michael Mandler Brian J. Hall Abram Bergson Edward Glaeser Donald R. Davis Hendrick Houthakker	Harvard University
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Gary Hufbauer William R. Cline Jeffrey J. Schott	Inst. for International Economics
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94-44

FOR IMMEDIATE RELEASE
Wednesday, August 3, 1994

CONTACT: ANNE LUZZATTO
DIANNE WILDMAN
KIRSTEN POWERS
JAMAL SIMMONS

USTR STATEMENT CONCERNING SOFTWOOD LUMBER
EXTRAORDINARY CHALLENGE COMMITTEE DECISION

USTR has received the decision issued today by the Extraordinary Challenge Committee (ECC) on the issue of Canadian subsidies for softwood lumber production. The ECC, established pursuant to Article 1904 of the U.S.-Canada Free Trade Agreement, affirmed a binational panel's decision that had reversed a finding by the Department of Commerce that Canadian provinces subsidize lumber production. The decision was by a two-to-one vote, with a strong dissent by Judge Malcolm Wilkey.

Obviously, we believe our case was meritorious and that the ECC should have stepped in and taken action. Given the unprecedented length and detail of the decision, it will take some time to examine the decision and reflect on it. USTR will consult in the coming days with industry, the Congress, agencies within the U.S. Government, and other interested parties on this issue.

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NEWS
United States Department of Agriculture
Office of Communications
News Distribution Room 506-A Washington, D.C. 20250

Release No. 0586.94

Tom Amontree (202) 720-4623

JOINT RELEASE FROM SECRETARY ESPY AND U.S. TRADE REPRESENTATIVE KANTOR ON U.S./CANADA WHEAT TRADE

WASHINGTON, Aug. 2-- Secretary of Agriculture Mike Espy and U.S. Trade Representative Mickey Kantor announced today that the United States has reached an understanding regarding wheat trade.

The agreement is the result of more than a year of continuous negotiations between the two countries.

"I am pleased negotiations have concluded after many months of discussions between the U.S. and Canada," said Espy. "This agreement will benefit our farmers by providing relief from the large volume of wheat being imported from Canada. The Joint Commission will review the fundamental problems that affect trade in these markets and will help find long-term solutions."

"I think this represents a fair solution to a very difficult problem," said Kantor. " We also hope that the new advisory Commission will help us find longer-term solutions to these issues."

The understanding contains three elements:

1. U.S. and Canada have agreed to establish a Joint Commission on Grains, which will examine all aspects of the two countries' respective marketing and support systems for all grains.

2. The agreement will specify limitations on imports into the U.S. of Canadian wheat for a period of one year beginning August 1, 1994. The limitations will be on both durum wheat and other wheat. This will result in an improved market for U.S. wheat producers who have been adversely affected by wheat imports in recent years.

3. A "peace clause" for the next 12 months to assure there will be no additional restrictions or countermeasures, whereby both countries commit not to take action inconsistent with the NAFTA or GATT.

The agreement addresses the immediate problem of a surge in imports of Canadian grain, while also establishing a process and reasonable time frame for resolving potential long-term problems in the grain industry, taking into consideration the views of the private sector on both sides of the border.

The recommendations of the Joint Commission of private sector experts will not be binding on either government, but should help the two countries find long-term solutions to grain trade problems. The United States is particularly concerned by issues such as the Canadian Wheat Board's pricing practices and Canadian subsidy programs.

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The United States will apply the following schedule of tariffs on the importation of wheat into the United States.

Duram Wheat

(in thousands of metric tons)

Quantity	Tariff
0 - 300	NAFTA Rate
300 - 450	$23/ton
450 and above	$50/ton

Other Wheat

(in thousands of metric tons)

Quantity	Tariff
0 - 1,050	NAFTA Rate
1,050 and above	$50/ton

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WASHINGTON, D.C.
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94-43

FOR IMMEDIATE RELEASE
Monday, August 1, 1994

Contact: Anne Luzzatto
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U.S. STATEMENT REGARDING PRELIMINARY UNDERSTANDING BETWEEN THE UNITED STATES AND CANADA ON WHEAT

Following several days of discussions among U.S. Trade Representative Michael Kantor, Secretary of Agriculture Michael Espy, and their Canadian counterparts Ministers Ralph Goodale and Roy MacLaren, U.S. and Canadian negotiators have reached a preliminary understanding regarding wheat trade. Final agreement is subject to confirmation by both governments tomorrow.

The understanding reached earlier today has three elements:

(1) U.S. and Canada have agreed to establish a Joint Commission on Grains, which will examine, over the next 12 months, all aspects of each countries' respective marketing and support systems for all grains.

(2) The agreement will specify limitations on imports into the U.S. of Canadian wheat for a period of one year beginning August 1, 1994. The limitations will be on both durum wheat and other wheat. This will result in a substantial reduction in wheat imports compared to last year.

(3) A "peace clause" for the next 12 months to assure there will be no additional restrictions or countermeasures, whereby both countries commit not to take countermeasures inconsistent with the NAFTA or GATT.

The agreement addresses the immediate problem of a surge in imports of Canadian grain, while also establishing a process and a reasonable time frame for addressing on a longer term basis problems in the grains sector, taking into consideration the views of the private sector on both sides of the border.

The recommendations of the Joint Commission of private sector experts will not be binding on either government, but should help the two governments find longer term solutions to grains trade problems. The United States is particularly concerned by issues such as the Canadian Wheat Board's pricing practices and Canadian subsidy programs. The Commission will be looking at barley as well as other grains.

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94-49

FOR IMMEDIATE RELEASE
Friday, September 30, 1994

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U.S. FUEL CONSERVATION MEASURES UPHELD BY GATT PANEL

Ruling in an important trade dispute with the European Union, a GATT panel in Geneva found in favor of the United States today on key provisions of U.S. laws regulating auto fuel economy and luxury taxes.

The GATT panel, which the European Union asked last year to review the three U.S. automobile laws, found that the core provisions of the three laws are consistent with GATT rules. Two of the measures at issue, the Corporate Average Fuel Economy (CAFE) requirements and the "gas guzzler" tax, are central components of the U.S. automobile fuel conservation policy that emerged in response to the 1973-74 OPEC oil embargo. The third measure is the luxury tax on cars over $30,000, enacted in 1990.

U.S. Trade Representative Mickey Kantor welcomed the panel's report. "The panel has emphatically rejected the European claim that trade-neutral legislation intended to further energy conservation goals and protect the environment could be attacked because Chrysler, Ford and GM invested and complied with the laws while Mercedes and BMW chose not to, and had to pay penalties."

"The panel's finding also confirms that GATT's trade rules can be compatible with our laws that conserve natural resources and protect the environment," Kantor noted. "This decision is a recognition that our government---and those of other countries---have latitude to legislate and regulate in these crucial areas as long as they are not discriminating between domestic and imported products."

"I would expect the panel's report to help steer the debate when GATT countries take up trade and environment issues under the new World Trade Organization," he said.

The panel rejected EU complaints that the CAFE requirements, the gas guzzler tax, and the luxury tax discriminated against cars manufactured by Mercedes, BMW and other European luxury car makers. Those manufacturers have paid a large share of penalties and taxes under these laws.

The panel report broke new ground in crucial respects:

- It found for the first time that the general exception under the GATT for conservation measures could excuse a country's law that was otherwise inconsistent with the GATT.

- It recognized for the first time that, in reviewing a non-discriminatory measure of a country, it is not relevant whether other, more economically efficient alternatives might be available to achieve the government's legitimate policy objectives.

- It laid to rest the concern that governments were obligated to select the "least trade restrictive" conservation measure. A measure is consistent as long as it clearly serves the purpose of energy conservation or environmental protection, and does not arbitrarily or unjustifiably discriminate between domestic and imported products.

The panel agreed with EU complaints on one technical issue -- the CAFE accounting rules that establish separate "domestic" and "import" fleets for determining overall fuel economy. Because these rules do not have any actual economic impact on EU auto manufacturers, and therefore no trade damage results from this requirement, Ambassador Kantor said that the United States does not intend to make any changes in the CAFE rules.

Copies of the panel's report are available in the USTR public reading room.

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94-48

FOR IMMEDIATE RELEASE
Thursday, September 29, 1994

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STATEMENT BY U.S. TRADE REPRESENTATIVE MICKEY KANTOR ON THE UNANIMOUS SENATE FINANCE COMMITTEE VOTE IN FAVOR OF THE URUGUAY ROUND (GATT) IMPLEMENTING LEGISLATION

The United States moved a giant step closer to greater economic growth and a higher standard of living for all Americans with the unanimous vote by the Senate Finance Committee today to pass the GATT trade legislation.

I applaud the work of Chairman Moynihan, Senator Packwood and their Senate colleagues. Together with the 35-3 vote GATT received yesterday in the House Ways and Means Committee, U.S. ratification of the legislation is inevitable.

For the first time in almost a decade, the United States is the most competitive nation in the world, surpassing our greatest economic rival, Japan, for that distinction. We have turned around our economy, turned on our exports and tuned in to making America the most competitive nation in the global economy.

The Uruguay Round Agreement is the culmination of more than seven years of work by the Reagan, Bush and Clinton Administrations. When fully implemented, the agreement will create hundreds of thousands of U.S. jobs over the next decade and boost annual U.S. GDP by $100 to $200 billion.

The agreement reduces tariffs on industrial goods by $750 billion over the next ten years -- the largest tax cut in history.

The United States led the world to launch and then to complete the Uruguay Round negotiations. The United States now must lead the world with successful implementation of the agreement.

These votes in Congress reaffirm America's commitment to world economic leadership.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 27, 1994

TO THE CONGRESS OF THE UNITED STATES:

I am pleased to transmit legislation and a number of related documents to implement agreements resulting from the General Agreement on Tariffs and Trade (GATT) Uruguay Round of multilateral trade negotiations. The Uruguay Round Agreements are the broadest, most comprehensive trade agreements in history. They are vital to our national interest and to economic growth, job creation, and an improved standard of living for all Americans.

When fully implemented, the Uruguay Round Agreements will add \$100-\$200 billion to the U.S. economy each year and create hundreds of thousands of new, well-paying American jobs. They provide for a reduction in worldwide tariffs of \$744 billion, the largest global tax cut in history.

The United States will be the biggest winner from the Uruguay Round Agreements. We are the world's largest trading nation with the world's most dynamic economy. In 1993, the United States exported \$660 billion in goods and services, accounting for more than 10 percent of the U.S. GDP.

These agreements are the result of bipartisan cooperation and reflect the consensus supporting market-opening trade policies that the United States has enjoyed for decades. The Uruguay Round was launched by President Reagan, continued by President Bush, and concluded by this Administration. Each Administration consulted with the Congress and welcomed congressional participation and guidance throughout the negotiations. Similarly, this Administration has worked closely with the Congress to ensure that the implementing legislation that I am now forwarding enjoys broad bipartisan support.

The United States has led the world on a path of open markets, freer trade, and economic growth. Now we must lead the way in implementing these agreements. The leaders of every major industrialized nation have pledged to take action so that the Uruguay Round Agreements can be implemented by January 1, 1995. Any delay on our part would send a negative signal to our trading partners at a time when their economies are just beginning to recover.

Our economic recovery is now fully underway. As the economies in Europe and Japan begin again to grow, we must be positioned to reap the benefits of their expansion. As a result of the Uruguay Round Agreements, our major trading partners in Europe and Asia will cut their tariffs to historic lows.

The Asian Pacific economies are the fastest growing economies in the world and are currently the largest market for U.S. exports. United States exports to Latin America, the second fastest growing region in the world, have grown 60 percent since 1989. The Uruguay Round Agreements will ensure that these fast-growing markets will be open to international competition and that all of our trading partners will play by international trading rules.

The Uruguay Round Agreements enjoy very broad and deep support in the United States. Forty of our Nation's governors, numerous eminent economists, and the vast majority of U.S. industrial, agricultural, and services firms support the agreements, as do an array of former Presidents, Secretaries of State, Secretaries of the Treasury, and U.S. Trade Representatives.

Americans are at their best when they face the challenges of their time. Our predecessors did so after World War II when they created a new international trading system that guided global growth for 50 years. Now we must do the same to foster sustained prosperity for the decades to come.

The end of the Cold War and the rise of the global economy have created new challenges and new opportunities. Implementation of the Uruguay Round Agreements will ensure that we rise to the challenges of this new era and lead the world on a path of prosperity.

WILLIAM J. CLINTON

THE WHITE HOUSE,
September 27, 1994.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 27, 1994

PRESS BRIEFING
BY
U.S. TRADE REPRESENTATIVE MICKEY KANTOR

The Briefing Room

4:14 P.M. EDT

MS. MYERS: The following will be a discussion of GATT with Ambassador Kantor. Here he is in the flesh.

AMBASSADOR KANTOR: That's what's called a California introduction. (Laughter.) We are transmitting to the Hill the Uruguay Round implementing legislation, statement of administrative action. It will be introduced this afternoon in the House and the Senate by Majority Leader Gephardt and Majority Leader Mitchell.

The Uruguay Round legislation, implementing legislation, the Round itself, the World Trade Organization, which is implemented by it, is supported by a bipartisan majority of the Congress in both the House and the Senate. We have had bipartisan support for our trade program throughout this administration.

I'd like to specifically point out Minority Leader Dole, Senator Packwood, Senator Danforth, along, of course, with Chairman Moynihan in the Senate. On the House side, of course, Mr. Michel, Mr. Gingrich, Mr. Archer, along with the Speaker, Dick Gephardt, Chairman Gibbons, Chairman Rostenkowski, and, of course, Mr. Matsui, who have all supported this strongly.

As you know, this is a single undertaking. The major part in the major movement forward in world trade is -- for the first time, we will have a level playing field after a five-year phase-in for developing countries. Nothing is more important in this legislation than that. It changes the whole way in which we regulate trade in a post-Cold War world.

Second of all, it cuts tariffs by 40 percent. It is a $740 billion tax cut for the world, and, of course, is a net tax cut for the American people. The nontariff barriers are removed. It will add about $8 billion in extra income to agriculture by the year 2003 by reducing subsidies and making sure we have minimum and current access to every country in the world which is best, I guess, represented by the opening of the Japanese and Korean rice markets.

Of course, it protects intellectual property, which is our fastest growing industries -- our so-called copyright industries, which are movies and music; our computer software industry; our pharmaceutical industries; our biotech industries, where we are the world leaders. For the first time services are covered under a multilateral agreement that 60 percent of the businesses in this country and 70 percent of the employment, and of course, the dispute settlement understanding is something we have long fought for.

Let me make it clear. This is a piece of legislation that was initiated by the Reagan administration -- by President Reagan -- was supported in advance by President Bush; reengaged and completed by President Clinton. It is bipartisan in every aspect, and will continue to be so. It is supported by all the former and Republican ex-secretaries of state; by Democrat and Republican ex-trade representatives; by 450 economists, including several Nobel laureates; the American Enterprise too, the Heritage Foundation; Judge Robert Bork; the American Bar Association; the Consumers Union --

Q How about the partridge in the pear tree? (Laughter.)

AMBASSADOR KANTOR: And the partridge in the pear tree.

Q Will Dole let it go through?

AMBASSADOR KANTOR: Senator Dole has been a supporter of free trade for his entire congressional career. He has worked closely with us. He was not only on the Senate Finance Committee, he was on the Conference Committee, which reported this out unanimously. And we hope and expect, of course, that he will support his. Obviously, I can't speak for Senator Dole.

Q Has he said he will block it? Or has he --

AMBASSADOR KANTOR: Senator Dole has not said anything of the kind.

Q How about Senator Hollings, Mr. Kantor? He has threatened to block it. Are you in danger of --

AMBASSADOR KANTOR: Well we -- Senator Hollings, first of all, is a great friend of this administration and a great personal friend of the President's and of mine and many people in this administration. We have had long and interesting conversations about trade. Senator Hollings is very happy with major parts of this bill. He is not happy with other parts of this bill. Obviously, his committee will have jurisdiction and he'll have every opportunity to talk about the bill and talk about its fate in his committee. And we'll continue to work with him.

Q Can I follow that, please? Did you try to get a commitment from Senator Hollings not to hold that bill on his committee until after the Congress goes home?

AMBASSADOR KANTOR: Oh, we've had discussions about that. But this is up to Senator Hollings; we'll continue to work with him. We believe that we're going to pass this Uruguay Round implementing bill and the statement of administrative action before the Congress goes home.

Q -- no amendments? Would you ask him for a commitment not to do that? And has he just not responded?

AMBASSADOR KANTOR: We asked for no commitment, nor was one given.

Q Could you say whether any agreement was reached with Senator Hollings for future legislation for the possible phase-out of tariffs, any deal cut that -- to help get his support for not holding up the agreement?

AMBASSADOR KANTOR: There have been no deals offered, no deals cut. We've had many conversations. The fact is that Senator Hollings, as I've said before, is a friend of this administration and a personal friend of the President's and of mine and of many in this administration. We'll continue to work together.

Q There were at least four things about GATT that were apparently undecided on the Hill, which were kind of left to the administration to decide. And I was wondering if you could tell me what has been cited in these four areas.

AMBASSADOR KANTOR: Absolutely, yes.

Q Super 301, that would be the first; and I'll go down the rest if you'll let me. There are just four here.

AMBASSADOR KANTOR: Sure, I'd be pleased to.

Q Super 301; CBI parity; rule of origin on textiles; and GSP -- generalized systems of preference.

AMBASSADOR KANTOR: Let me start, I'll go up the list. GSP has been extended, but for a year, which it does not have the so-called reforms in it. Number two, CBI will not be part of the legislation this year; but we expect it to be part of the fast track legislation next year and we will staunchly support its adoption as part of fast track legislation in 1995.

In terms of the rule of origin, it is in the bill. It is basically the same rule of origin which passed the Congress --

Q Passed the House?

AMBASSADOR KANTOR: -- that passed the House, or was recommended by the House is the way we should say it in the fast track procedure. And last, of course, is Super 301. The administration has put in this bill its version of Super 301, which comes out of the executive order as contrasted with the Senate version.

Q That would be identifying only the unfair practice and not the country --

AMBASSADOR KANTOR: Priority foreign country practices. That means it has to be a -- it's a connection between the practice and the country, rather than identifying practices on one hand and countries on the other. That would be the major difference.

Q Senator Dorgan a couple days ago and four other senators said they want a separate vote on the waiver of the budget rules. Today a Georgetown law professor says GATT threatens 90 laws in California. Professor Tribe (phonetic) at Harvard says this is a treaty and deserves two-thirds of the Senate. What makes you think, given this opposition, you can get it through in six days or seven days?

AMBASSADOR KANTOR: Well, first of all, it's not a treaty, it's an executive agreement. It's a contract between 123 countries. With all due respect, Professor Tribe does not and never has been -- these trade agreements are not treaties.

Number two, I don't know what Georgetown -- was it a Georgetown law professor? Are you sure it wasn't George Washington? I'm a graduate of Georgetown. Are you sure it wasn't GW? This is stunning that it -- (laughter).

Q Center for Policy Alternatives?

AMBASSADOR KANTOR: And what was the, I'm sorry, what --

Q He said that a report released today saying that GATT will put at risk 90 or more California laws?

AMBASSADOR KANTOR: Nothing could be further from the truth. The first sentence of this legislation in any conflict between U.S. law and anything with the GATT or the Uruguay Round or the WTO, U.S. law prevails. Nothing done by the WTO or dispute settlement can alter or change any U.S. law. In fact, it says specifically in the Uruguay Round that you can maintain higher standards, as California does, under various California laws, including Prop 65, in terms of protection of human, animal or plant life.

This, for the first time, we have written into the Uruguay Round in Article 9 in the first sentence, this organization operates by consensus. This organization before was always operated by majority rule. The United States' sovereignty is more protected under this implementing legislation in the WTO than we've ever been protected in 47 years. They're just absolutely and completely and thoroughly wrong.

Q What about waiver of the budget rules? Dorgan and waiver of the budget?

AMBASSADOR KANTOR: No, no -- this is a -- once you have a fast track, it is a -- it can't be amended. And there will be a waiver of the second five years, and we'll have to have 60 votes for that. And Senator Dorgan knows that; we've discussed it.

Q Mickey, would it be safe to infer that from your statement that you do think GATT can be completed by the time Congress adjourns? And you've made that statement in the wake of the Hollings meeting this morning, that whatever objections Hollings has raised are not going to be 45-day objections.

AMBASSADOR KANTOR: Well, first of all, that's up to Senator Hollings, that's number one. Number two, we'll continue to work with him; number three, his committee, I am certain, will have jurisdiction. It's up to the Senate, of course, and the parliamentarian and majority leader, not up to me. But I am fairly certain he will have -- and so therefore, we'll continue to work together and we'll see what happens. But we believe strongly not only will we pass the House with an overwhelming vote, we'll pass the Senate as well, and it will become law this year.

Q Sir, how do you answer Ross Perot and Ralph Nader on sovereignty? I don't think you've thoroughly covered sovereignty.

AMBASSADOR KANTOR: Trying to answer Ross Perot and Ralph Nader in one breath is a very difficult -- (Laughter.)

Let me just say on sovereignty, they're just wrong. I'll go over it again, they're -- we have never been more protected in our sovereignty in 47 years than we are under this Uruguay Round agreement. U.S. law prevails in every case -- that's the first sentence of this legislation.

Number two, you cannot change any substantive right or obligation under the United States of America under the World Trade Organization without our consent. Number three, no ruling or dispute settlement, panel or any other ruling of the World Trade Organization can change or affect U.S. law. Only the Congress or a state legislature or a city council can change U.S. law. Number four, this organization operates by consensus. And number five, you are allowed to maintain higher standards for human, animal and plant life, and our environmental and health-based laws than international standards.

There is nothing -- nothing -- in this legislation which threatens U.S. sovereignty.

Q Mr. Kantor were any funds shifted over to farm exports at all -- farm export programming as asked for by, I guess, House agriculture people?

MR. KANTOR: Well, what we have done -- the administration has committed itself to put about $600 million in the next five years in the so-called Green Box programs. Let me explain what those are. Those are marketing promotion programs which are allowed under the Uruguay Round. And we are, in order to help U.S. agricultural interests, our farmers, putting $600 billion in. And that was the agreement reached with various agriculture interests on the Hill. We believe that is a reasonable and important agreement to have been reached. And that will be implemented over the next five years.

Q Minister Hashimoto was quoted as saying he did not believe that, as he left Tokyo, that he did not believe that the U.S. and Japan could hammer out a trade pact, and that he had no intention of making any new proposals. What would be your response? Do you think it's possible to reach an agreement that's --

MR. KANTOR: Well, one thing I don't intend to do is negotiate with Minister Hashimoto in public. I have seen the same statement. I also saw his statements in Thailand, which said that Japan couldn't stand on principles, they had to deal with reality. He is a -- Ryo is a very good friend of mine. We've had good conversations. We start meeting at 6:15 p.m. this evening. I'm sure we'll spend a lot of time this evening talking about it. I'll see what he has to say. But I'm not about to begin these negotiations in public.

Q Are you going to meet the deadline Friday? Is the U.S.?

MR. KANTOR: Oh, Friday is the deadline.

Q If I could just get one -- to clarify with respect to Senator Hollings. He has said today, just about an hour and a half ago now, he said that the GATT legislation will not get out of this committee in 1994. He says, I've told them that; as far as I'm concerned, that is it. Where does the administration go from there? He had said --

MR. KANTOR: Well, we'll see what happens. I mean, this is what politics and baseball are all about. You know, you've got to wait until the ninth inning.

Q There's no more season. (Laughter.)

Q Or you have to wait until next year. (Laughter.)

MR. KANTOR: With me you never wait to next year with baseball. It's always ongoing.

Q Anything added on wheat that you can tell us about?

AMBASSADOR KANTOR: No. We just have implemented what is necessary in order to carry out the Canadian-U.S. wheat agreement, that's all.

Q Is there a drawback feature that --

AMBASSADOR KANTOR: Well, there has to be in order to implement that under the GATT. As you know, we have an agreement to -- the Canadians have limited their wheat imports into the United States over the next 12 months and so therefore, you have to put that in -- have to have authorization for Congress in order to implement that, because of there are tariff implications. Let me take this one more.

Q How optimistic are you about averting trade sanctions with Japan? And would a partial deal be acceptable?

AMBASSADOR KANTOR: Well, let me just say number one, that's up to Japan, your first question.

Q What is the question?

AMBASSADOR KANTOR: The question is, how optimistic or pessimistic or realistic am I about averting trade sanctions with Japan? And number two, would a partial deal be acceptable? How long is a piece of string — we'll see what they offer. Thanks.

END 4:29 P.M. EDT

Gouvernement du Canada Government of Canada

SEP 22 1994

The Honourable Michael Kantor
U.S. Trade Representative
Executive Office of the President
Washington, D.C. 20506
U.S.A.

The Honourable Michael Espy
Secretary of Agriculture
U.S. Department of Agriculture
Washington, D.C. 20250
U.S.A.

Dear Ambassador Kantor and Secretary Espy:

We have the honour to acknowledge receipt of your letter of September 20, 1994 and the Memorandum of Understanding concerning trade in wheat between Canada and the United States attached thereto.

We have the further honour to confirm the acceptance by the Government of Canada of the attached Memorandum of Understanding effective as of September 12, 1994.

Sincerely,

Roy MacLaren
Minister for International Trade

Ralph Goodale
Minister of Agriculture and Agri-Food

Canada

MEMORANDUM OF UNDERSTANDING

An understanding has been reached between Canada and the United States with respect to the cross-border wheat trade between the two countries, as follows:

A. A Joint Commission on Grains will be established to examine all aspects of the two countries' respective marketing and support systems for all grains and the effect of those systems on the Canadian and U.S. markets and on competition between the two countries in third country markets.

The Commission will be comprised of at least six and not more than ten experts, with an equal number appointed by each side. None of the appointees will be government officials. The Commission will be in operation through September 11, 1995, but will report at least its preliminary findings and recommendations to both governments by June 12, 1995. Details regarding operation of the Commission as well as its membership shall be determined by October 1, 1994.

While its findings and recommendations will not be binding upon either country, the objective of the Commission will be to assist the two Governments in reaching long-term solutions to existing problems in the grain sector.

B. For the 12-month period beginning September 12, 1994, the United States will apply the following schedule of tariffs on the importation of wheat into the United States:

Durum Wheat
(in thousands of metric tons)

Quantity	Tariff
0 - 300	NAFTA Rate
300 - 450	$23/ton
450 and above	$50/ton

Other Wheat
(in thousands of metric tons)

Quantity	Tariff
0 - 1,050	NAFTA Rate
1,050 and above	$50/ton

Notes:
1) In the event either government believes that the level of durum wheat imports into the United States will fall below 450,000 tons the two governments shall consult about the possibility of a reallocation of a portion of the durum wheat limit to the "other wheat"

category.

2) The above schedule does not apply to any flour or semolina.

3) White winter wheat, which is produced outside of the jurisdiction of the Canadian Wheat Board and to which the Western Grain Transportation Act does not apply, will not be subject to the above schedule. Canada will ensure that this exception does not become a means of circumvention for wheat under the jurisdiction of the Canadian Wheat Board.

C. Canada reserves the right to challenge the U.S. measures referred to in Part B above, in either the NAFTA or the GATT or both.

However, Canada will not request that a NAFTA or GATT panel or working party be convened in respect of the aforementioned U.S. measures during the 12-month period beginning September 12, 1994, to allow the aforementioned Joint Commission on Grains to complete its work and the two governments to consider its findings and recommendations. Further, during this period, neither country will take countermeasures inconsistent with the NAFTA or the GATT.

The United States will withdraw its Article XXVIII notification in the GATT and withdraw its request before the U.S. Congress for legislative authority to implement an Article XXVIII action in regard to wheat, barley and their products.

During the aforementioned 12-month period, neither country will impose any other restrictive action on grains that is inconsistent with the NAFTA or the GATT.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 22, 1994

STATEMENT BY THE PRESS SECRETARY

The President met for an hour today with Japan's Deputy Prime Minister and Foreign Minister Yohei Kono, who is in the United States to address the United Nations General Assembly. They discussed a variety of bilateral and international issues, including North Korea, trade and the upcoming APEC meeting in Indonesia.

President Clinton expressed his appreciation to Deputy Prime Minister Kono for a letter he received from Prime Minister Murayama yesterday which indicated that Japan would contribute to an international consortium to provide light water reactors to North Korea if an overall nuclear agreement was reached in the continuing U.S.-North Korea nuclear negotiations.

President Clinton also reiterated his firm commitment to opening Japanese markets to American goods and services. The President emphasized that unless agreements are reached under the Framework initiative by the September 30 deadline, he will have to consider remedies under U.S. trade laws.

# # #

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

SEP 2 0 1994

The Honorable Roy MacLaren
Minister for International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, Ontario K1A OG2

The Honorable Ralph Goodale
Minister for Agriculture
Sir John Carling Building
930 Carling Avenue
Ottawa, Ontario K1A OC5

Dear Minister MacLaren and Minister Goodale:

We have the honor to confirm our government's acceptance of the attached Memorandum of Understanding (MOU), effective September 12, 1994, concerning trade in wheat between the United States and Canada.

I propose that your confirmation in reply shall constitute acceptance by your government of this MOU.

Sincerely,

Michael Kantor
U.S. Trade Representative

Michael Espy
Secretary of Agriculture

Gouvernement du Canada Government of Canada

SEP 22 1994

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U.S. Trade Representative
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Washington, D.C. 20506
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OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20506

94-47

FOR IMMEDIATE RELEASE
Wednesday, September 14, 1994

Contact: Anne Luzzatto
Dianne Wildman
Kirsten Powers
Jamal Simmons
(202) 395-3230

FOREIGN SHARE OF JAPANESE SEMICONDUCTOR MARKET CLIMBS TO RECORD 21.9%

Foreign share of the Japanese semiconductor market climbed to a record 21.9% in the second quarter of 1994, surpassing the previous records of 20.7% set in the previous two quarters.

"The further improvement in foreign market share in the second quarter 1994 is a very welcome development and demonstrates the strong competitive position of the U.S. industry," said Ambassador Mickey Kantor. "Both the Japanese and U.S. industries are to be commended for the efforts they have made to take advantage of the opportunities provided under the U.S.-Japan Semiconductor Arrangement. However, neither side can afford to be complacent. We must continue to work to achieve the gradual and steady improvement in market access called for under the Arrangement."

The market share figure was calculated by U.S. and Japanese government officials in accordance with the statistical system established under the 1991 U.S.-Japan Semiconductor Arrangement. The foreign market share averaged 19.4 percent in 1993.

Members of The Advisory Committee for Trade Policy and Negotiations

as of September 13, 1994

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City of San Jose

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President
American Farm Bureau Federation

*Mr. Charles P. Lazarus
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Mr. Bruce Llewellyn
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Mr. Jack Valenti
President and Chief Executive Officer
Motion Picture Association of America

Mr. George H. Weyerhaeuser
Chairman of the Board
Weyerhaeuser Company

Ambassador Andrew Young
Co-Chairman
Executive Assistant
Atlanta Committee for the Olympic Games

* Designates member of the East Asia and the Pacific Task Force

CONCLUDING STATEMENT OF AMBASSADOR MICHAEL KANTOR
QUADRILATERAL MINISTERIAL MEETING
Sunday, September 11
Los Angeles, California

Ministers from the United States, Canada, Japan and the European Commission held their 25th informal "Quadrilateral" meeting in Los Angeles. This was our first meeting of Ministers since the Uruguay Round was completed in Marrakech.

Our agenda this weekend was wide-ranging. We all accorded the highest priority to the rapid and effective implementation of the Uruguay Round and bringing the World Trade Organization into operation on January 1, 1995. We are all committed to achieving this result.

In addition to discussing the status of our respective ratification efforts, we discussed many of the issues involving implementation of the WTO. We hope that our discussions will facilitate the very important work that will resume in Geneva next week under the auspices of the Preparatory Committee.

The candor and frank dialogue from these Quad meetings is invaluable in moving trade issues forward. One only need recall the constructive role the Quad played last year in moving the Uruguay Round talks forward, keeping the ball rolling, until together with all our partners, we reached our momentous agreement.

We had the first opportunity since completion of the Uruguay Round to talk informally about the issues confronting the Quad and the multilateral trading system as we face the reality of globalization and the challenge of economic interdependence. We had a very valuable and free-ranging discussion, much of it building on our talks in Marrakech and in Naples, and looking forward to next year's meetings in Halifax. We discussed some sectors where further work between us would yield benefits for our respective economies and strengthen the global economy. Areas discussed included: completing the on-going negotiations on services as required by the Uruguay Round, telecommunications and high technology areas, regulatory reform, mutual recognition of standards, investment and other access issues.

We agreed that our officials would remain in contact on these issues in order to continue the Quad's constructive role in maintaining the momentum for trade liberalization around the world. We will review their discussions at our next ministerial meeting.

We also discussed the very important work on-going in Geneva to bring new members into the world trading system through the GATT/WTO accession negotiations, including China, Russia and Taiwan. We agreed that such negotiations should strengthen the multilateral system and agreed that our officials would work to achieve such results. In this regard, we agreed that the on-going negotiations relating to China should be completed as soon as possible on the basis of a mutually acceptable balance of rights and obligations. We also had a discussion of the recent accession bid by Russia that was endorsed by G-7 leaders. There is substantial work ahead in completing these and the many other important accession negotiations.

Finally, we discussed possible efforts to strengthen the trading system and enhance the credibility of the WTO. We will work together to identify ways to make more transparent the workings of this critical institution.

Minister MacLaren has invited Quad Ministers to meet in Canada in the spring of 1995 to continue our discussions. In the interim, however, our officials will remain in close contact.