

AMBASSADOR CHARLENE BARSHEFSKY
SPEECHES AND TESTIMONY
1997

- 1/15/97 SPEECH - American Iron and Steel Institute
- 1/16/97 SPEECH - Mickey Kantor's Farewell
- 2/24/97 SPEECH - USDA Agriculture Outlook Forum
- 3/4/97 SPEECH - Emergency Committee for American Trade
- 3/5/97 SPEECH - Kansas Farm Bureau
- 3/11/97 SPEECH - SIA Awards Dinner
- 3/18/97 TESTIMONY - House Ways and Means committee Trade Subcommittee
- 3/19/97 SPEECH - ITIC First Annual Awards Banquet
- 3/20/97 SPEECH - Council on Competitiveness
- 3/21/97 SPEECH - National Cattlemen's Beef Association Regulatory Conference
- 4/3/97 SPEECH - Founder's Week Luncheon of the Washington College of Law,
American University
- 4/0/97 SPEECH - The Emerging Issues Forum, Raleigh, North Carolina
- 4/16/97 SPEECH - Economic Strategy Institute
- 4/17/97 SPEECH - Annual Awards Dinner Washington International Trade Association
(WITA)
- 4/28/97 BRIDGING THE GAP TO THE YEAR 2005 - Council of the Americas
- PRESS CONFERENCE - FTAA Santiago, Chile
- 4/29/97 TESTIMONY - House Ways and Means Committee Subcommittee on Trade
- 6/3/97 TESTIMONY - Senate Finance Committee
- 6/10/97 RENEWAL OF MFN STATUS FOR CHINA - Senate Finance Committee

6/17/97 RENEWAL OF MFN STATUS FOR CHINA - House Ways and Means
Committee

7/15/97 SPEECH - The Board of Governors of the National Electrical Manufacturer's
Association

7/16/97 SPEECH - Country Music Association

9/17/97 RENEWAL OF FAST TRACK AUTHORITY - Senate Finance Committee

9/30/97 RENEWAL OF FAST TRACK AUTHORITY - House Ways and Means
Committee Trade Subcommittee

10/1/97 SPEECH - Commodity Club

11/14/97 SPEECH - The Farm Journal Forum

11/97 SPEECH - APEC Vancouver, Ministerial

Speech

**DRAFT OF TALKING POINTS
FOR USTR-DESIGNATE CHARLENE BARSHEFSKY
before the
American Iron and Steel Institute
[1/15/97]**

- Thanks to Hank Barnette, president and CEO of Bethlehem Steel, and incoming President of the AISI.
- I especially appreciate the endorsement of AISI for my confirmation. I look forward to working with its leadership and members in the coming months. We believe that the team that President Clinton has put together for his economic plan, and especially his trade policy, has been a winning formula over the last four years, and we would like to have the benefit of continuity.
- This president has put more emphasis, and taken a more thoughtful approach, on trade policy than any of his predecessors. This is true with respect to bilateral issues, such as Japan and China; multilateral issues, such as NAFTA, APEC, and the FTAA; and global issues, such as the GATT and the World Trade Organization.
- The results speak for themselves. America's exports of goods and services are running roughly 37 percent higher than they were in 1992. Exports of manufactured goods, in particular, are 42 percent higher than they were in 1992.
- In the wake of our auto parts agreement with Japan in 1995, we have already seen progress: exports of American autos and auto parts are up 35 percent, to a level of more than \$3.8 billion.
- As you know, all these factors have a direct impact on the steel industry. Demand for America's steel products has been solid. As of late 1996, shipments of U.S. steel were up 3 percent, and that increase is being driven by sectors such as automobiles, construction, and oil

Steel Q & A

Q: WE HAVE BEEN INUNDATED WITH STEEL IMPORTS FROM THE FORMER SOVIET UNION, MAINLY RUSSIA AND UKRAINE. THEY ARE BEING DUMPED AND THEY ARE DEPRESSING THE U.S. MARKET AND HURTING OUR BUSINESS. WHAT WILL THE ADMINISTRATION DO ABOUT THIS?

A:

- o Security and economic issues relating to the former Soviet Union will remain an extremely difficult challenge for the West for some time to come.
- o The Administration, in large part through the Gore-Chernomyrdin dialogue, is working hard to keep open channels of communication and to stimulate cooperation, but difficulties are enormous.
- o As you know, their productive capacity for many products, including steel, is huge, and the potential to disrupt world markets is parallel.
- o I understand that antidumping cases were recently filed concerning steel plate imports from Ukraine, Russia, (China and South Africa), and both the ITC has made an affirmative preliminary injury finding.
- o As you know we worked hard to preserve tough unfair trade laws in the Uruguay Round and subsequently in U.S. implementing legislation, and these should work efficiently to eliminate any injury that may occur. Other unfair trade laws are available as well.
- o We have also used the OECD Steel Committee as a forum to learn more about the steel industry in that region and we have a fair amount of information and opportunities for a dialogue.
- o If the US steel industry has suggestions for other types of cooperation or government action, we are open to your suggestions.
- o These issues will take time to work out, but we certainly want to make sure that, in the meantime, our industry's interests are not damaged. Our anti-dumping laws should ensure that injury cases are addressed.

Q. **WHAT ARE THE PROSPECTS FOR A MULTILATERAL STEEL AGREEMENT?**

A.

- o The MSA continues to be a good idea, but unfortunately, its time does not seem to have come quite yet. Our trading partners continue to put the cart in front of the horse by insisting on commitments with respect to the use of trade cases, which are not acceptable to us.
- o Recently, with the support of the entire US steel industry, our focus has shifted to exploration of a Multilateral Specialty Steel Agreement or MSSA.
- o The US specialty steel industry, because of its different circumstances, has agreed to certain undertakings which were not acceptable to the rest of the industry. We are now trying to pin down with the European Commission whether these proposals are a basis for agreement between our governments and can be translated into agreed legal text. We would then need to persuade other countries to join.
- o We will give this proposal our best shot, and we have received some indications of positive interest from other countries. However, we should not underestimate the difficulties negotiations of an MSSA would pose.

IF NEEDED:

- o Our specialty steel producers' press releases announcing that trade cases may be imminent may also be causing some scepticism among our negotiating partners.

Q: **THE UNITED STATES HAS A CONSULTATIVE AGREEMENT WITH KOREA ON STEEL DESIGNED TO ENSURE THAT THE KOREAN GOVERNMENT DOES NOT INTERVENE IN STEEL PRODUCTION AND PRICING DECISIONS. WE CONTINUE TO BE CONCERNED THAT POSCO, NOW THE WORLD'S LARGEST STEEL PRODUCER, MAKES ITS DECISIONS UNDER INFLUENCE OF THE KOREAN GOVERNMENT. FOR EXAMPLE, ITS HOT ROLLED SHEET PRICES IN KOREA ARE HELD FLAT AND DO NOT FLUCTUATE WITH MARKET CYCLES. WHAT WILL USTR DO ABOUT THAT UNDER THE BILATERAL AGREEMENT?**

A:

- o We have been consulting regularly with the Korean government, and we have talked to POSCO as well. Under the agreement, Korea provides data on its steel production, trade, prices and other economic indicators which we jointly review.
- o I believe there is no doubt that POSCO has a close relationship with the Korean government, and that the Korean government continues to play an active and interventionist role in the Korean economy.

- o However, demonstrating a clear link between the government and the business in a way which would justify trade action can be a challenge.
- o We will continue to use the consultative mechanism to examine the situation in Korea, and to explain to them potential adverse consequences of Korean government intervention for US producers and our trade relations.

Q: SPAIN PROVIDES ITS COMPANIES WITH A TAX BREAK ON FOREIGN INVESTMENTS WHEN THESE ARE ACCOMPANIED BY EXPORTS TO THAT JOINT VENTURE. SSINA HAS WRITTEN TO YOU ALLEGING THIS IS A PROHIBITED EXPORT SUBSIDY UNDER THE WTO. WILL USTR PRESS THE EU TO HAVE THIS SUBSIDY ELIMINATED?

A.

- o We have already initiated a dialogue with the EU on this issue. We plan to actively pursue it. If the EU is in violation of its obligations, it will need to rectify this.

BACKGROUND:

The steel industry continues to do well, benefitting from high domestic demand, and running at over 90 percent capacity utilization. However, imports are high, due also to lower prices abroad, and the industry is not realizing the types of profits it would like to see in light of the healthy economy. In the first ten months of 1996, mill U.S. shipments were up 3.2 percent over the same period last year. In the same period, imports were up 11.4 percent, and exports were down 25.6 percent. The EU accounts for the entire import growth, up 44.4 percent. Imports from Russia are down 31.3 percent, while Ukraine continues to increase.

The industry's recent AD case against plate imports from Russia, Ukraine, China and South Africa has gotten a preliminary injury rulings from the ITC and the Commerce Department has initiated investigations. While the industry is concerned that EU's quotas against CIS steel imports are causing a diversion of that products from EU's to the US market, it is more likely that imports are high due to strong US demand. Despite EU's quotas, their steel imports from the CIS countries have been over 4 million tons, compared to some 2 million in the US.

Mickey

speech on behalf of USTR +
all of us '97

for Day 1
what I was
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for
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1997

Ambassador Barshefsky's Comments
at Mickey's Farewell

January 16, 1997

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for Day 1
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for
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1997
Lan
Henry

We come together this afternoon to say farewell and express our thanks to our colleague and friend, Mickey Kantor.

When President Clinton made me Acting USTR, and then again when he nominated me to be USTR, along with the gratitude, I felt a good deal of humility. Some of that humility, however, stemmed from the recognition that US trade representatives fall into two categories: Mickey Kantor, and all the rest.

~~And plainly, I was headed into category number 2!~~

~~I don't claim to be objective on this point, but the plain truth is that Mickey Kantor's accomplishments surpass any of his distinguished predecessors. He set a standard that may never be met.~~

Working for the first President and Vice President who truly understood the global economy and the fact that America had to compete, not retreat:

Mickey spearheaded the largest regional trade agreement of all time---and one of the toughest political fights of any time---the NAFTA.

He took the Uruguay Round---dead in the water after seven years of talks---breathed life in it just weeks after coming to USTR, and provided the leadership to complete the largest global trade agreement in history.

From the time he arrived, he relentlessly pursued the intractable problem of opening the Japanese market.. He took on the toughest challenges, and succeeded, including the historic battle and agreement to open the Japanese market for US autos and auto parts.

He relentlessly pursued open markets all over the world: from Britain to Bolivia, from Chile to China. If he said it once, he said it a thousand times: we sought trade that was open and fair. Our goal was a level playing field, a trading system where all nations played by the same rules.

Mickey liked to say that he wasn't a trade technician or a trade theologian. His goal was a trade policy that served the interests of US workers and farmers, as well as US companies. There was nothing academic about the job that he was doing.

Mickey and those who worked with him were focused, as the President has said, like a laser, on the trade policy needed to strengthen our economy, to create and maintain high wage jobs for our workers and maximum opportunities for our children.

He brought an intensity and vitality to USTR that is ~~hard~~ ^{legendary} to describe. There was never a day that he wasn't in the office before 7^{am}, ~~having already run five miles~~. He knew there was a limited amount of time to accomplish great things.

And, having had a political career dating back to the 1960's, he knew from bitter experience that Democrats don't necessarily get that many opportunities!

So he went all out, ~~joined, I believe, by a superb political team and the best public servants in government: the career staff at USTR.~~

^{But also} What characterized Mickey was his absolute unwillingness to ever accept defeat in his important work. And he often accomplished the impossible.

^{Unwilling to accept defeat} Occasionally, his refusal to accept defeat could get out of hand. For example, he still thinks we got fast track in 1994, and then again in 1995. He also believes, according to some reports, that President Salinas is ~~the Director General of the WTO~~. ^{was}

When I became Acting USTR, there weren't many things I could think of to improve. But I had to make some dramatic changes. So I banned all use of sports analogies at staff meetings.

My and colleagues ~~met~~ ^{met} punctuate some imp. pt. by talking about hat trucks & the like

I said because I was always there to get it

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9
But my friend Ira Shapiro, who has contributed so much to our successes in the past four years, has persuaded me that sometimes, only a sports analogy will do.

So, here goes.

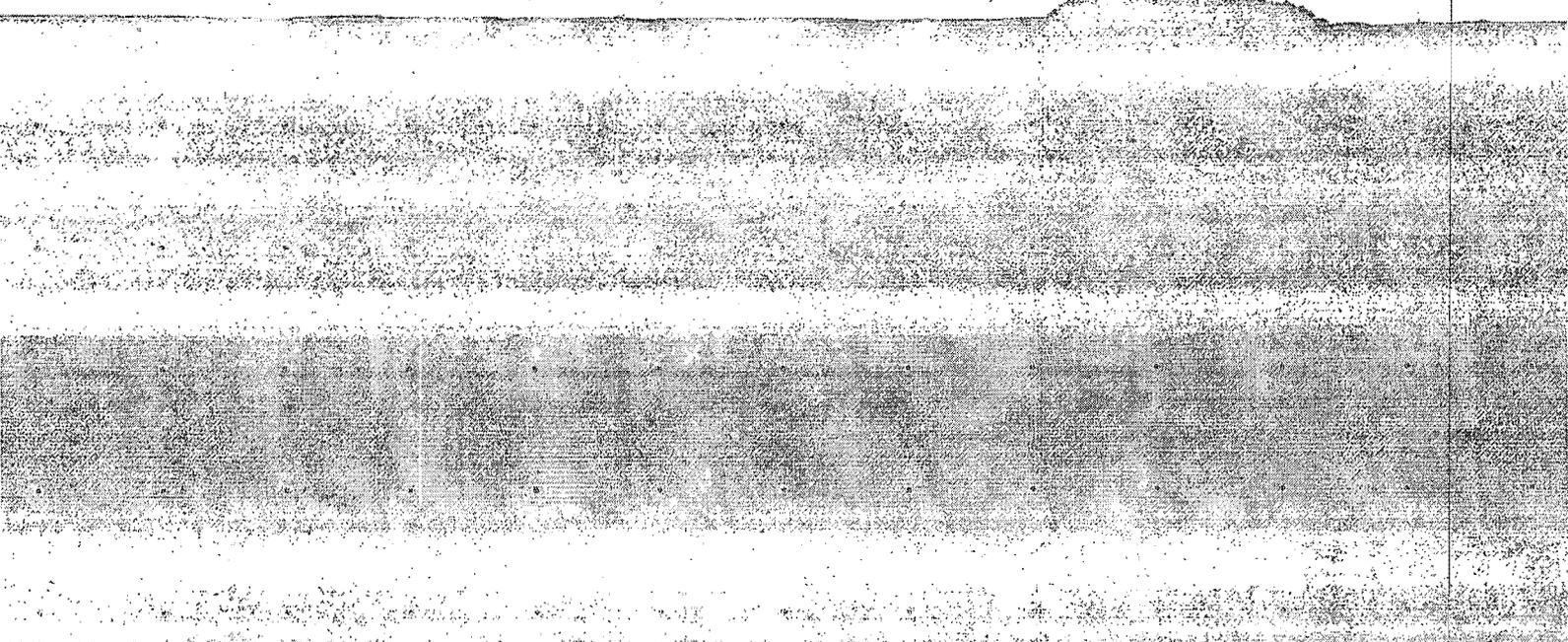
When Mickey brought us together at USTR, we didn't know each other, the problems were daunting, and the world wasn't waiting for us to figure out what needed to be done.

And we were like a group of people who went out on a basketball court and found they could play together, that their talents meshed, and they liked doing it.

And we started winning games, and getting better, and racking up more and more successes.

And eventually, after four years, when we shook off the exhaustion from the endless travel, the marathon negotiations, the fierce legislative battles, the narrow margins between success and failure, we can see the Kantor years for what they were: truly, "that championship season."

Not every season goes like that. We will always be grateful to Mickey for letting us be part of it.



DRAFT

Do not use the
Team Ag:
Pejorative

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**USDA Agricultural Outlook Forum
Talking Points
Ambassador Barshefsky
February 24, 1997**

I. Introduction

- I would like to begin by thanking Agriculture Secretary Dan Glickman for the invitation to speak to you today and Deputy Secretary Rich Rominger (phonetic: Roeminger) for his warm introduction.

Dan + Rich have done an extraordinary job for US agricultural interests & for the country.

- I would also like to take this opportunity to thank Rich publicly for his support, expert advice and tenacious attitude during the Singapore Ministerial. Rich's presence was extremely valuable to me and my team as we slugged it out with those who want to hold back the hands of time.

(PAUSE)

- Let me start by underscoring up-front this administration's continued commitment to U.S. agriculture. I am well aware of the challenges we face on agriculture and we must be poised to meet them head-on. As part of that commitment, I plan to dedicate more USTR resources to opening agricultural markets abroad, ~~tearing down trade barriers and~~ ^{and guide} ensuring reciprocity for US exports. This augmentation of USTR's agricultural staff should pay big dividends in the months and years ahead.

USTR's

- In addition, Dan Glickman and I intend to ^{improve} enhance the coordination between USDA and USTR so that we can maximize our ~~market access~~ impact and results. (PAUSE)

for US
agriculture

II. What you plan to talk about.

- Today, I'd like to touch briefly on the value of trade to our economy and the key role played by agriculture. I will also discuss where we've been on agriculture and where we are going.

III. The Importance of Trade:

A. Economics

- During the Cold War, the United States used trade policy as part of a strategy to help rebuild the economies of Europe and Japan and resist communist expansion. During that period, we often opened our markets to the products of the world without obtaining comparable commitments from others.
- As the dominant economic power in the world, we could afford to do so. And as part of our ^{foreign economic policy} "Containment Policy", we needed to do so.
- The situation we face today is very different. We remain the world's largest economy -- and the largest trading nation. But our economy, which represented over 40% of the world's output following World War II, now represents about 22%.
- Where our economy was once largely self-contained, we are now increasingly interdependent with the rest of the world.

higher than in 1992.

● **US exports of advanced technology products have grown even faster.**

They were \$155 billion in 1996, some 45% higher than in 1992.

- Since 1992, jobs supported by exports rose by an estimated 1.5 million to an estimated level of 11.3 million in 1996. Every billion dollars of US goods and services exports supports approximately 14,000 jobs. (Keep in mind that jobs supported by exports average 13-16% higher than the US national wage average.)

B: Agriculture Statistics

Agriculture exports follow a similar pattern:

- ~~Let's now turn to and look at some US agricultural statistics.~~

- In 1995, the U.S. set a historical record by exporting \$54.6 billion worth of agricultural goods.

- ~~This good news continues.~~ The Department of Agriculture reported today that US Agricultural exports ^{in 1996} ~~this year~~ did even better by climbing to \$59.8 billion, another new record. This represents a 40.4% increase in agricultural exports ^{over the last 4 years} ~~since 1992 when President Clinton took office.~~

- Already today -- one out of every three farm acres in America is dedicated to exports.

- 50% of our wheat acres, 57% of our rice acres, 37% of our soybean acres, 24% of our corn acres, 35% of our fruit and vegetable acres and 42% of our cotton acres are dedicated to producing product for export. ~~[Note: This is an average of the past three years]~~
- In fiscal year 1996, new highs were reached in fresh, frozen and chilled red meat exports, \$4.3 billion, and in poultry meat exports, over \$2.4 billion.
- Also in 1996, "Consumer-oriented" agricultural exports reached a new high of \$20 billion. This is a 32% increase over 1992.
- Since 1992, US agriculture has become the single largest net exporter of goods.
- These days, we hear a lot about US trade deficits. I'm happy to report that US farmers and agribusiness this last year created an estimated \$27.4 billion trade surplus -- the largest ever.

Overall Statistics

- The overall statistics are encouraging and they reflect in part an already aggressive campaign to open agriculture markets around the world.
- We have fought and successfully ensured that bio-engineered products are

(Fr, Luxem, Austria)

getting access to the EU. As part of this effort, the US has urged the EU to begin streamlining its approval process so that GMOs are treated fairly and are consistently, and reviewed on a scientific basis in a timely and transparent manner.

- We've used the sanitary and phytosanitary principles in the NAFTA and the Uruguay Round of the GATT to open markets for cherries, citrus, apples and meat. As a result of our WTO case, ^{against Korea,} Korea has converted to a manufacturer's shelf-life system which will significantly open the Korean market to US agricultural products.
- U.S. citrus exports are now entering Thailand, Brazil and Mexico, and U.S. apples are being sold in Japan, ^(two not all varieties) as a result of ~~reduced sanitary and phytosanitary barriers~~.
- During the Uruguay Round, we negotiated new access to Japan for U.S. pork and rice exports. As a result of these negotiations, U.S. pork exports increased 60%. Before these negotiations, Japan refused to purchase US rice. Over the last two years they have purchased approximately 420,000 metric tons of our rice.
- During the Uruguay Round we secured market access for U.S. orange and grape exports to Korea.
- In 1990, before NAFTA and our bilateral agreements with East Asia, we

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exported \$1.6 billion in beef every year. 5 years later -- after we opened the doors -- we exported \$1.7 billion to Japan alone.

- Last year beef and veal exports to Mexico ^{alone} jumped nearly 80%.
- These are but a few recent achievements.
- This is the good news... but there are also persistent and new problems. These problems must be attacked bilaterally, multilaterally and regionally. Let me turn ^{for a moment to} to each method.

A: Bilateral

- U.S. exports of beef produced with growth promotents are banned by the European Union. We took this case to the WTO, arguing that the ban is a violation of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures of the GATT 1994. We expect the panel report to be issued in May.
- The Philippines continues to place barriers in the path of U.S. exports of pork and poultry. We have had enough. We are going to request ^{formal WTO} consultations on this matter.
- The EU has not delivered on its commitment regarding the cumulative recovery system for brown rice and certain duty reductions for malting

barley. We have requested that the EU's grain import valuation system be put on the agenda of tomorrow's WTO Dispute Settlement Body Meeting.

- As you know, some of our fruit and vegetable exports face unjustified sanitary and phytosanitary barriers. We will use the Agreements on the Application of Sanitary and Phytosanitary Measures in the NAFTA and the GATT 1994 aggressively to eliminate these barriers, and will back up our efforts with dispute settlement consultations where necessary.

- Japan continues to require lengthy variety-by-variety testing before it will grant export approval for additional U.S. apple varieties. We will press Japan on this issue at next week's bilateral meeting. If the talks don't yield substantial progress on this issue, we will consider WTO dispute settlement consultations.

- Hungary violated its WTO export subsidy commitments in both 1995 and 1996. Despite protracted consultations to get them to comply, they have not. Four countries (Australia, New Zealand, Argentina and the United States) will make second requests for a dispute settlement panel tomorrow.

- *We will continue to monitor Canadian wheat/barley imports.* ~~to the Council GATT Dispute Settlement~~

B: Multilateral *(of largely individual nations in process, but multilateral program is also critical)*

There are ~~not~~ all areas where

- We see 3 broad areas of multilateral work:
- 1st, we have to challenge instances where countries are not fully living up to

^{VR} their commitments. We will use the WTO Committee on Agriculture to ^{help} ^{bird dogs} ~~make~~ member countries implement their Uruguay Round commitments ^{and} to address emerging agricultural trade problems like tariff rate quota administration, state trading enterprises, domestic support and export subsidies. We will also use WTO dispute settlement and US trade laws where necessary.

- Second, all WTO accessions must proceed on a commercial basis. This is as true for China as for the other 30 pending accessions. Regardless of other concessions, agricultural issues must be appropriately resolved or there will be no entry into the WTO. Accession offers must be a good deal for US agriculture.

- Third, we need to begin to think about how to prepare for the next round of negotiations, ^{in 1999} so that the process of reform can pick up where the Uruguay Round left off. ^{agreements}

- ^{we must keep countries moving in the direction} The bottom line is that U.S. agriculture ~~needs to remain committed to the goal of more open world markets, and we need to keep other countries moving in that direction.~~ ^{of open} ~~I can tell you now that~~ ^{markets.} This Administration is committed to that task.

● We are also committed to using both multilateral and regional strategies to continue to grow U.S. agricultural exports.

- At the end of the Uruguay Round, participating countries agreed to continue the process of reform of trade in agriculture beginning in 1999. This commitment was reinforced at the first WTO Ministerial in Singapore in December.

Finally, a word ^{about} ~~about~~ our
C: Regional Initiatives

- ~~We intend to move countries forward in this direction in our regional trade negotiations too.~~
- Under the umbrella of the Free Trade Area of the Americas (FTAA), three hemispheric working groups have been created that will focus directly on agricultural interests. One group will address market access, another sanitary and phyto-sanitary issues, and a third will address ~~anti-dumping and countervailing duty issues~~ and subsidies. We will ensure that the work done by these working groups reflects this administration's strong support for US agricultural trade interests.
- The immediate objective of the Administration is to ensure that the Trade Ministers decide on how and when to launch these negotiations. This hemisphere is our single largest and fastest growing market. We must compete in it head-on.
of course
- ~~We believe that it is critical that~~ the United States help shape the free trade agenda in the Americas by working with Chile to lay the cornerstone to the

Free Trade Area of the Americas. Further progress in our negotiations with Chile is directly linked to the Congress granting the Administration new fast track authority. Authority US agriculture has always supported. Of course, Chile maintains restrictions on US wheat, beef and poultry and these issues will have to be addressed.

- ^{2nd} We also hope to use the Asia-Pacific Economic Cooperation Forum (APEC) to shape the free trade agenda in the Pacific Rim. APEC economies account for over half of the world's GDP. Nearly 43 percent of our agricultural exports go to Pacific Rim countries.
- Last year, the APEC member countries laid the foundation to achieve free and open trade and investment by the year 2010 for industrialized economies and 2020 for developing ones. APEC's commitment to comprehensiveness means that no APEC economy can exclude agriculture from the goal of free and open trade. This year, an APEC task force will complete the analytical work that will help determine how best to move forward toward this goal.

IX. Conclusion

- President Clinton has fought hard to expand free and fair trade. Market opening initiatives have been and will continue to be the driving force of international trade policy. Future prosperity on the farm, in the countryside and in our nation's cities depends on our continued success in opening up new markets and tearing down trade barriers. Failure to do otherwise would

hurt farmers, city dwellers and our nation as a whole.

- Thank you.

- Intro - see edit
- Imp of Trade: ~~new / foreign sale~~
- ~~world with stuff~~
- The economy

US 40% / now 20%
 new competitive
 90% of world no news
 mature product
 productive ind^s

Don't understand this

need for. inlets -
 (*) Acute in ag: 81-82

For policy

mean for means to
 promote core US value -
 demo, hr, int econ

help Form enduring relations /
 enduring econ. ties.
 Greater certainty / stability
 greater gain

- Trade outcome last 4 year - worked hard to
 Open inlets overall

- for stats: US kept record
 20% to GDP (up fr 12)
- Ag stats - record 95
 record 96

But there are problems see V for good news
VI for examples

For ag approach - use multilat
 regional - but mean to further
 breakdown barriers

SPS: where 1999
 STES (transparency)
 STRO: admin

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 course (hand)
 that we
 made to us
 And we will
 provide
 support at
 least to the
 extent of
 this budget

- 2 -

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Supports

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 planning
 exports
 subsidies
 Access
 Pushing Internal
 Support

multilateral

2 avenues
 - WTO: Singapore outcome
 '99 begin talks
 already best concern
 - Accession: 71 pending
 ch as best -
 regarding other
 conclusion eg must
 be appropriately
 resolved or no
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Russia
 UK
 Ukraine

Regional

NAFTA (cheerier)
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 Canada

Q+A

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 program?

ITAA
 APEC

ITW
 Ventures
 (b)

Bilat

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 of talks etc ->
 action oriented
 language

Sketch of PR



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 basket - especially imp for ag

Shorten conclusion - WTO so zealous
 want to work with it is priority. + can't
 run point team

would need to get
 meeting from 5

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

February 21, 1997

MEMORANDUM FOR AMBASSADOR BARSHEFSKY

FROM: Christine M. Wilkas

SUBJECT: USDA's Agricultural Outlook Forum '97

You have agreed to speak at the opening session of USDA's Agricultural Outlook Forum '97 at the Omni Shoreham Hotel on Monday, February 24. The Forum is an annual event and it receives much global attention.

Kirsten Powers will ride over with you to the hotel and you should arrive by 12:50 p.m. Keith Collins, the chief economist at USDA, and I will greet you at the main entrance of the hotel. Deputy Secretary Rominger will make brief opening remarks at 1 p.m. and turn the Forum over to Secretary Glickman for a 20-minute keynote address. You will follow his address with a 20 minute speech which should conclude at 1:45 p.m. Deputy Secretary Rominger will moderate a 15-minute Q&A period for you and Secretary Glickman until 2 p.m. at which time you will both depart the Forum for your respective offices.

Approximately 750 people will be in attendance. The largest group comes from the business of agriculture, including farming, food processing, export/transportation, finance and brokerage. In addition, representatives of farm and commodity associations, land grant universities and U.S. and foreign government and will be present. The event is **open press** and television coverage has been invited.

Sean Darragh will be providing a speech, subject matter descriptions and talking points. I am attaching the agenda, a brochure, and a list of the non-registered non-government attendees for the Agricultural Outlook Forum '97.

attachments

New

Agricultural Outlook Forum '97, Omni Shoreham Hotel
Proposed Schedule as of: February 19

MONDAY, FEBRUARY 24

10:00 - 1:00 **Registration opens (West Registration Area)**
Press Room (Executive Room)
Speakers Lounge (Directors Room)

1:00 - 2:00 **Opening Session Regency Ballroom (800 people)**

Moderator: **Richard Rominger, Deputy Secretary of Agriculture**
5 minutes *Welcome*

1:05 *Keynote Address (working title)*
20 minutes **Dan Glickman, Secretary of Agriculture**

1:25 *Trade Issues Affecting U.S. Agriculture (working title)*
20 minutes **Charlene Barshefsky, U.S. Trade Representative**

1:45 *Q&A for Secretary Glickman and USTR Barshefsky*
15 minutes

2:00 - 3:20 **Coping with the Outlook and Future Changes (Regency Ballroom)**

Moderator: **Catherine E. Woteki, Acting Under Secretary for Research, Education and**
5 minutes **Economics**

2:05 **U.S. Agricultural Outlook**
20 minutes **Keith Collins, Chief Economist**

2:25 **Environmental Policies Affecting Agriculture**
20 minutes **Thomas R. Hebert, Deputy Under Secretary for Conservation**

2:45 **What's Ahead for Agriculture?**
20 minutes **Michael Martin, Dean, College of Agricultural, Food and Environmental**
Sciences, University of Minnesota

3:05 **Q & A**
15 minutes

Program

Monday, February 24

- 10:00 a.m.** **Registration Opens, West Registration Area**
- 1:00 p.m.** **Plenary Sessions**
Regency Ballroom
- Welcome**
Richard Rominger, Deputy Secretary of Agriculture
- 1:05 p.m.** **Keynote Address**
Dan Glickman, Secretary of Agriculture
- 1:30 p.m.** **U.S. Agricultural Outlook**
Keith Collins, Chief Economist, USDA
- 2:00 p.m.** **Coping with Future Changes**
Moderator: Catherine E. Woitki, Acting Under Secretary for Research, Education, and Economics, USDA
- What's Ahead for Agriculture?**
Michael Martin, Dean, College of Agricultural, Food, and Environmental Sciences, University of Minnesota
- Environmental Policies Affecting Agriculture**
Thomas R. Hebert, Deputy Under Secretary for Natural Resources and Environment, USDA
- 3:00 p.m.** **Coffee Break**
Regency Gallery
- Concurrent Sessions**
- 3:30 p.m.** **Risk Management for U.S. Agriculture**
Regency Gallery
Moderator: Bob H. Robinson, Administrator, Cooperative State Research, Education, and Extension Service, USDA
- Alternatives for Risk Management**
Joy Harwood, Chief, Crops Branch, Economic Research Service, USDA
- New Agricultural Risk Management Insurance Tools**
Kenneth D. Ackerman, Administrator, Risk Management Agency, USDA
- New Risk Tools Related to Futures Markets**
Joseph B. Dial, Commissioner, Commodity Futures Trading Commission
- Risk Management from a Producer's Point of View**
Jack Kintzle, Corn and Soybean Producer, Coggon, Iowa

Program

Monday, February 24

3:30 p.m.

Ambassador Ballroom

Market Stability and World Food Security

Moderator: Susan Olcott, Administrator, Economic Research Service, USDA

Food Needs for the Twenty-First Century

Alex McCulla, Director, Natural Resources Department, The World Bank

Market Instability from the Food Importers' Perspective

David Blandford, Director of Quantitative Analysis and Special Studies Division; Directorate for Food, Agriculture and Fisheries; Organization for Economic Cooperation and Development

The Role of Research in the Outlook for World Food

Per Pinstrup-Andersen, Director General, International Food Policy Research Institute

Food Security, a USDA Perspective

Christopher E. Goldthwait, General Sales Manager, USDA

5:15 p.m.

Garden Court

Cash Bar and Reception

6:15-8:00 p.m.

Blue Room

Forum Dinner

The Outlook for the U.S. Economy

Joseph E. Stiglitz, Chairman, Council of Economic Advisers



Agricultural Outlook Forum '97

Program

Tuesday, February 25

7:15 a.m.-4:30 p.m. Registration (note new location)
Palladian Foyer

7:30 a.m. Continental Breakfast
Garden Court Garden Court Exhibits, all day

8:00-9:30 a.m. USDA's Domestic and International Projections to 2005
Regency Ballroom Moderator: Gerald A. Bunge, Chairperson, World Agricultural Outlook Board, USDA

USDA's International Projections to 2005
Maurice R. Landes, International Baseline Coordinator, Economic Research Service, USDA

USDA's Domestic Projections to 2005
Katherine R. Smith, Director, Commercial Agriculture Division, Economic Research Service, USDA

Panel of Discussants
David B. Hull, Agriculture Analyst, Congressional Budget Office
Robert E. Young, Co-director, Food and Agricultural Policy Research Institute
Brian Paddock, Director, Policy Analysis Division, Agriculture and Agri-Food Canada

8:00-9:30 a.m. New Crop Production Technologies
Ambassador Ballroom Moderator: Paul Drazek, Special Assistant to the Secretary of Agriculture, USDA

The Approval Process for Genetically Modified Products
John Payne, Director, Biotechnology and Scientific Services, Animal and Plant Health Inspection Service, USDA

Utility Patents and Agricultural Biotechnology
Richard M. Parry, Jr., Assistant Administrator for Technology Transfer, Agricultural Research Service, USDA

Issues of Public and Consumer Acceptance
Donna Porter, Specialist in Life Sciences, Congressional Research Service, Library of Congress

A Farmer's Experience with Precision Farming
Gary Wagner, Sunflower Producer, Climax, Minnesota

9:30 a.m. Coffee Break
Garden Court

9:50-10:50 a.m. Grains and Oilseeds Forum
Regency Ballroom Moderator: Nancy Devore, International Trade Analyst, Bellingham Commodity Trade Analysis

Grain and Soybean Outlook through 1997/98
Peter A. Riley, Grains Analyst, Economic Research Service, USDA

An Alternative Perspective on the Grain and Soybean Outlook
Bradley C. Anderson, Feed Grains Analyst, Sparks Companies, Inc.

A Producer's Perspective on Changing Farm Programs
Alan Karkosh, Corn and Soybean Producer, Hudson, Iowa

Program

Tuesday, February 25

9:50-10:50 a.m.

Palladian Room

Dairy Forum

Moderator: Charles Shaw, Senior Economist and Director of Policy Development, International Dairy Foods Association

USDA's Dairy Outlook

James J. Miller, Agricultural Economist, Economic Research Service, USDA

Market Implications of Changes in Dairy Cooperatives

Albert J. Ortego Jr., Leader, Economics and Natural Resources Division, Louisiana State University Extension Service

9:50-10:50 a.m.

Ambassador Ballroom

Tobacco Forum

Moderator: Thomas Capehart, Jr., Agricultural Economist, Economic Research Service, USDA

The U.S. Tobacco Outlook

Thomas Capehart, Jr., Agricultural Economist, Economic Research Service, USDA

The Foreign Tobacco Outlook

Peter Burr, Agricultural Economist, Foreign Agricultural Service, USDA

Growers' Perspective on the U.S. Tobacco Outlook

Danny McKinney, Chief Executive Officer, Burley Stabilization Corporation

Litigation and the U.S. Tobacco Industry

Keith Teel, Partner, Covington and Burling

9:50-10:50 a.m.

Congressional Room

Fruit and Vegetables Forum

The Outlook for Fruit and Vegetables

Edmond Missiaen, Specialty Crops Analyst, World Agricultural Outlook Board, USDA

10:50 a.m.

Break

11:00 a.m.-Noon

Palladian Room

Livestock and Poultry Forum

Moderator: Nancy Yannish, Director of Agricultural Relations, The Food Marketing Institute

USDA's Livestock and Poultry Outlook

James Nix, Livestock Analyst, World Agricultural Outlook Board, USDA

Are Consumers Getting What They Want?

Kevin Bost, Commodities Analyst, Topco Associates, Inc.

Program

Tuesday, February 25

11:00 a.m.-Noon
Ambassador Ballroom

Cotton Forum

Moderator: O. A. Cleveland, Marketing Specialist, Mississippi State University

The Outlook for Cotton

Leslie A. Meyer, Agricultural Economist, Economic Research Service; Carol J. Skelly, Agricultural Economist, Farm Service Agency; and Anita Regmi, Agricultural Economist, Foreign Agricultural Service, USDA

Exporting Cotton in an Uncertain Market

Allen A. Terhaar, Executive Director, Cotton Council International

Producing Cotton in the New Policy Environment

Robert E. McLendon, Cotton Producer, Leary, Georgia

11:00 a.m.-Noon
Congressional Room

The Consumer Price Index for Food

Moderator: Charles Abbott, Commodity Correspondent, Reuters News Service

The Outlook for Food Prices in 1997 and Beyond

Annette L. Clauson, Agricultural Economist, Economic Research Service, USDA

Analyzing Seven Forecast Components of the Food CPI

Mark Denbaly, Agricultural Economist, Economic Research Service, USDA

The Consumer Price Index Overstates Food-Price Inflation

James M. MacDonald, Agricultural Economist, Economic Research Service, USDA

11:00 a.m.-Noon
Forum Room

Sweeteners Forum

Moderator: Edmond Missiaen, Specialty Crops Analyst, World Agricultural Outlook Board, USDA

The Sugar and Sweeteners Outlook, 1997 to 2003

Robert D. Barry, Agricultural Economist, Farm Service Agency, USDA

Noon
Garden Court

Cash Bar

12:30-1:50 p.m.
Blue Room

Grains and Oilseeds Luncheon

Moderator: August Schumacher, Administrator, Foreign Agricultural Service, USDA

The Choices Facing the European Community in the Light of Progress Towards More Open Markets

David F. Roberts, Deputy Director General for External and Budgetary Affairs, Agriculture Directorate, European Commission

12:30-1:50 p.m.
Palladian Room

Livestock and Poultry Luncheon

Moderator: Nancy Yannish, Director of Agricultural Relations, The Food Marketing Institute

Fast Food Supply Chain Management

George Hoffman, President and CEO, Restaurant Services, Inc.

Program

Tuesday, February 25

12:30-1:50 p.m.

*Empire Room
(below the Palladian Room)*

Cotton Luncheon

Moderator: Russell G. Barlowe, Retired Fibers Analyst, World Agricultural Outlook Board, USDA

The World Series, Lunar Eclipses, the Super Bowl, and Cotton Prices

Herman S. Kohlmeier, Jr., Senior Vice President-Investments, Prudential Securities, Inc.

2:00-3:15 p.m.

Regency Ballroom

Meeting Global Competition for High-Valued Products

Moderator: August Schumacher, Administrator, Foreign Agricultural Service, USDA

Representative Calvin M. Dooley, 17th District of California

Harry Cleberg, President and CEO, Farmland Industries, Inc.

Export Challenges for the Red Meat Industry as We Enter the New Millennium

Phillip M. Seng, President and CEO, U.S. Meat Export Federation

2:00-3:15 p.m.

Palladian Room

The Impact of Agriculture's Changing Structure on Market Information Needs

Moderator: Barbara Claffey, Assistant Deputy Administrator, Marketing Programs, Agricultural Marketing Service, USDA

The Role of Market Information in a Changing Market Structure

Wayne D. Purcell, Director, Research Institute on Livestock Pricing, Department of Agricultural and Applied Economics, Virginia Polytechnic Institute and State University

Concentration Issues for Livestock Producers

John D. Hardin, Danville, Indiana, Grain and Pork Producer, and member of the USDA Advisory Commission on Agricultural Concentration

Farmers' Information Needs in an Integrated Marketplace

Ian Sheldon, Associate Professor, Department of Agricultural Economics, The Ohio State University

3:15 p.m.

Garden Court

Refreshment Break

3:30-4:30 p.m.

Regency Ballroom

Overcoming Challenges in High-Valued Product Markets

Moderator: August Schumacher, Administrator, Foreign Agricultural Service, USDA

Real-Life Exporting of Value-Added Agricultural Products

Richard Lighthart, Associate Director of Export Services, Griffith Laboratories

Competitiveness of U.S. Agriculture in International Markets

Ray Cesca, Director of Global Purchasing, McDonald's Corporation

Overcoming Challenges in High-Value Markets with a focus on the Product

Joanna Savvides, Export Services Manager, Campbell Soup Company

Program

Tuesday, February 25

3:30-4:30 p.m.
Palladian Room

Farm Finance Forum

Moderator: Ralph M. Chite, Specialist in Agricultural Policy, Congressional Research Service, Library of Congress

Changing Agricultural Lending Institutions and Markets: The Farm Credit Outlook
Charles Dodson and Steve Koenig, Agricultural Economists, Economic Research Service, USDA

Farm Finances and Financial Management: The Outlook in a Changing Environment
Janet Perry, Mitch Morehart, Jim Ryan, and John Jinkins, Agricultural Economists; and Jim Johnson, Chief, Farm Business Economics; Economic Research Service, USDA

4:30 p.m.

Adjourn

Visit these Exhibits all day Tuesday in the Garden Court

National Agricultural Statistics Service and the Census of Agriculture

Publications and agricultural statistics and data products from NASS, as well as information about the Census of Agriculture. Internet access to statistical and data products.

The Economic Research Service

ERS publications and data products. Demonstration of Internet access to USDA economic data and reports and the ERS home page.

Cooperative State Research, Education, and Extension Service

Information on the Managing Change in Agriculture Initiative and the National Research Initiative. Demonstration of the CSREES home page and nutrition education materials on the Internet.

Risk Management Agency

Information on reformed crop insurance programs and features, commodity futures trading programs, forward contracting options, and insurance.

Rural Development Agencies

Information on USDA programs for rural development, rural business, rural housing, and agricultural cooperatives.

The National Agricultural Library

Information about the resources at USDA's National Agricultural Library and its many collections.

Food and Agriculture Organization of the United Nations

Information on FAO's programs and activities.

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Page:

For Meeting Code: USDA97 Agriculture Outlook Forum '97

Reg ID	Name	Company ID
Reg Code: REGF Full Participant		
924946	Dorothy J. Acosta	Farm Credit Administration
925124	Craig C. Albert	Sanford C. Bernstein
925249	Laura Alcalá Rosete	ASERCA
925487	Carl G. Anderson	TAEX
925047	Davis Anderson	GROWMARK, Inc.
924869	Armando Paredes Arroyo Loza	Grupo Apal, S.A. de C.V.
925179	Ken Bader	ACDI/VOCA
925116	Biff Baker	Leg. Research Commission
924991	Ronald Barkley	Prairie States Commodities
924919	Tim Barry	New York Cotton Exchange
924859	Tuckie Bartlett	Kraft Foods, Inc.
925455	John Basile	Commercial Materials, Inc.
925754	Jim Bateman	
925433	Craig Beamesderfer	New Holland N. America, Inc
925654	Irene A. Beard	H. J. Campbell Company, Inc.
925160	Richard J. Beard	Rabobank
924992	James Beck	IMG Global Inc
925098	Ken Belshe	Mercantile Futures
925003	Max Berry	Law Offices of Max N. Berry
925492	Stephen Black	USDA/NRCS
924926	David A. Bleustein	Paine Webber
925537	Gilles Boivin	James Richardson International
924894	August W. Braaksma	Rabobank Nederland
925327	Margaret Brennan	Rutgers University
925367	Marc Breuss	Continental Grain Company
924982	Jack Burgess	Perdue Farms
925100	David C. Camp	Staplcotton Coop
925536	Charles Cantin	AgriFood & Agriculture Canada
925094	Branch Carter	Gold Kist Inc.
924870	Rafael Castillo Castillo	Grupo Apal, S.A. de C.V.
924861	Andy Chance	The Iams Company
926007	Chan Duck Chang	Natl Livestock Coop, Korea
925026	Ximena Cheetham	International Monetary Fund
925209	Chia-Lin Chen	TECRO
925163	Mike Chilton	Agricultural Alternatives. Lt
925025	Paul Christ	Land O'Lakes, Inc.
925854	Christine Chung	Promar International
924864	Bobby Coats	University of Arkansas
924917	Jennifer J. Cole	Salomon Brothers Inc.
925033	Jonathan Coleman	US ITC
925422	Al Compton	AGRIBANK, FCB
925339	John Conroy	COMECO
924945	Doyle L. Cook	Farm Credit Administration
925022	Norman Coward	HSBC: Midland Bank London
925243	Karen Curry	Rosenthal Collins Group
924944	David E. Cyrus	Cargill, Incorporated
924994	Carleton Davis	Dunavant Enterprises, Inc
924908	Jean-Christophe Debar	AGRI US Analyse
925298	Mitchell Demyen	Saskatchewan Wheat Pool
924954	Maureen DeRooij	Rabobank Nederland

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924977	William V. Doyle	Chicken Farmers of Ontario
925042	Mike Dungate	Chicken Farmers of Canada
925351	June E. Ellien	Prudential Securities, Inc.
925039	Peter Ensink	Cargill North Am Corn Milling
924981	Gonzalo Estefanell	Interamerican Inst/Coop on A
925451	Ray Evans	Missouri Conservation Dept.
925248	Hector Fanghanel Hernandez	ASERCA
924907	Rich Feltes	REFCO Research
925368	James R. Fischer	Clemson University
924895	Frank J. Flider	United Soybean Board
925048	Robert Floyd	The GIC Group
925040	Fred Fox, Jr.	NC Farm Bureau Federation, I
925453	Anne Frick	Prudential Securities
925369	Sidney Friesen	Ontario Ministry/Agriculture
924997	Gilles Froment	CAN Turkey Market Agency
925405	Tom Funk	Commercial Materials, LLC
924995	Dewell R. Gandy	Dunavant Enterprises, Inc
925006	David Garst	
925416	Vera Gavrilovich	General American Transport
925158	Peter Geary	Australian Wheat Board
925131	Don Gillings	AgriSolutions
925051	Al Glass	Virginia Farm Bureau Fed
925415	Glenn H. Glover	Gold Kist, Inc.
925551	Graeme Goodsir	Graeme Goodsir Associates, I
925360	A. Gramacho	OCB
925044	Cole Gustafson	North Dakota State Universit
925182	Jim Hahn	USDA/AMS
924866	Rurik B. Halaby	AgriCapital
925005	Colin Halfwassen	Halfwassen & Associates
924989	Dale W. Hebda	Central Plains Service Ctr I
925126	Mario Hebert	Union Producteurs Agricoles
924880	Jeffrey D. Hester	Hester Industries
925850	Jeremy L. Hirsh	Promar International
924916	James Hodges	The American Meat Institute
924871	Kevin D. Hoepker	AFIA
925523	Akira Horiguchi	Ag/Livestock Industries Corp
925424	Josef Huber	Ag Services & Investments US
925331	Ida Hurley	Hurley & Associates
925316	Hiroshi Ishikawa	Snow Brand Milk Prod.
924996	Mohd. Jaaffar Ahmad	Porim
925757	Carol James	Dairy Profit Weekly
924998	Jean-Paul Jamet	CNIEL
925271	Patricia A. Jensen	AURI
924906	James Keeney	IMC -Agrico
924953	Tom Kelly	Rabobank Nederland
924915	Jens Knutson	The American Meat Institute
924943	Ken Kubiak	Occidental Chemical Corp.
925261	Dave Ladd	Senator Rod Grams' Office
924913	Renee Laird	Koch Agriculture Company
924988	Russell Lamb	Fed Res Bank of Kansas City

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924896	Carroll Laycock	Farm Credit
924956	Sherri Lehman	Corn Refiners Association, In
925635	Allan Lines	Ohio State University
925252	Tom Lipetzky	U.S. Potato Board
925164	Dave Lunt	Texas A&M University
924883	John Maguire	National Cotton Council
925106	Dan Malan	CoBank
925731	Dave Malmskog	American Crystal Sugar Compan
925322	Amy W. Mann	American Horse Council
925250	Miguel Yoldi Marin	ASERCA
924886	Paul Marsh	Prudential Agriculture Invest
925084	Joseph Marshall	Southern Plantations Group, In
925684	Paul McAuliffe	Continental Grain Company
924929	Duncan McKinnon	Agriculture & Agri-Food Canad
925756	Charlie Melancon	American Sugar Cane League
925329	Lydi J. Miller	Brinson Partners
925128	Jose Molina	Embassy of Argentina
925474	Lalit Monga	Case Corporation
925580	John C. Moore, Jr.	Farm Credit Administration
925255	Grant Moos	Cargill Public Affairs
925245	Bill Mott	Agland Investment Services
925129	Nimi Natan	Ardshiel, Inc.
925185	Mark Neal	Chore-Time Brock
924903	Jarral Neeper	Calcot, Ltd.
925321	Mark Newman	Abt Associates, Inc.
924902	Ron Nickell	Calcot, Ltd.
925270	Susan Norquay	Agriculture & Agri-Food Cana
924979	Dan Nowicki	Proctor & Gamble Co.
925496	Murray Nugent	Quaker Oats Company of Canad
924867	Scott Patrick	Morgan Stanley
925093	Roy Peiffer	Multifoods
925274	Mark Pepper	Goldman Sachs & Co.
925103	Frank Perdue	Perdue Farms Incorporated
925247	Mario Barreiro Perera	ASERCA
924873	Ken Perlich	Saskatchewan Agriculture/Foc
924882	Louie Perry	National Cotton Council
924868	Wayne Peterson	Morgan Stanley
924935	Jean-Michel Poirson	Embassy of France
925259	Dat T. Quan	Hong Lee Trading, Inc.
925034	John Reeder	US ITC
925364	Robert Rich	VA Department of Agriculture
925296	Jack Richards	Case Corp.
925470	William Riddle	AGRITECH, INC.
925159	Wayne H. Riess	Rabobank
925682	Robin Riley	
924962	Shawn Roberts	Helena Chemical Company
925638	Ivan Rodriguez	Rabobank Nederland
924898	Bill Roenigk	National Broiler Company
925021	Rodolfo Romanelli	Oleaginosa Moreno S.A.
925069	Len Roozen	Ministry/Ag/Food/Rural Affa
925125	Charles Felix Ross	Union des Producteurs Agric

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924918	Henry Sabser	New York Cotton Exchange
925041	Lloyd Sandercock	Chicken Farmers of Canada
925459	Larry Sawatzky	Canadian Wheat Board
925299	Larry Sawatzky	Canadian Wheat Board
925054	Anthony G. Schlesier	Milk Marketing Inc.
925276	Peter Schurr	LaSalle Group
924925	Debbie Schwartz	Corn Refiners Association, In
924933	Joanna Shatney	Lehman Brothers, Inc.
924897	Robert Shillingburg	Hester Industries, Inc.
925315	Roger Sit	Goldman, Sachs & Company
924932	Jay Sjerven	Milling & Baking News
926006	Chan Jun Sohn	Embassy of Korea
925030	Michael Stanly	International Multifoods
925242	Mike Swinford	Rosenthal Collins Group
925092	Jesse Szozeponski	Al Humko Corp.
924949	Tetsuya Tamai	Embassy of Japan
925326	Shintaro Tanaka	Student
925000	Junko Tatsumi	Heartland Lysine, Inc.
924976	Mike Terpstra	Chicken Farmers of Ontario
924885	D. Allen Thames	Robinson-Humphrey, Inc.
925393	Jerry L. Thompson	Agribank, FCB
925272	Todd S. Thompson	AURI
925210	Shelly Toppan	Maine Department of Ag
925510	Ben Townsend	Pepperidge Farm, Inc.
924853	Ellen Truong	The Humane Society of the US
924978	Yayoi Tsujiyama	Ministry of Agriculture
924909	Arturo Vierheller	Secretariat of Agriculture
925165	Marlin D. Vix	Cal Poly State University
924957	Tamara Wade	Royster-Clark, Inc.
924910	Dick Wagner	GROWMARK, Inc.
924914	Peter Ward	Lehman Brothers
925395	Parks Wells	Tennessee Soybean Council
924884	Carla West	National Cotton Council
925161	Adriaan C. Weststrate	Rabobank
924912	Jim Wheeler	Ontario Farm Products Comm
924947	Christopher Whitehead	Deere & Company
925155	Keith Wilkinson	National Farm Products Council
925184	Adner W. Womack	FAPRI
925105	Tom Wright	ACI
924959	Patricia Yee	NatWest Securities
924922	Robert Young	FAPRI
924942	Lee A. Zengierski	Occidental Chemical Corp.

Total Number of People for Reg Code REGF: 197

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Reg ID Name

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925028	Gary Adams	FAPRI-University of Missouri
924999	Jan Paul Adriansens	Embassy of Belgium
925180	David Altman	W.P. Stewart & Company
924958	Dan Amstutz	NAEGA
925632	Robert R. Andros	Farm Credit Administration
925350	Patrick Antoine	IICA
924924	David Asbridge	CF Industries, Inc.
925346	Stephan Beckert	Arter & Hadden
925023	Gary L. Benjamin	Federal Res. Bank of Chicago
925012	John Blanchfield	American Bankers Association
925693	Alain Bourbeau	SNC-LAVALIN AGRICULTURE
926026	Rick Brasnett	Potash Corp/Saskatchewan Inc.
924968	Roger Bredeson	Rural Community Insurance
925031	Scott Brown	FAPRI-University of Missouri
925342	Tommy Bunn	Leaf Tobacco Exporters Assoc.
925449	Susan Carswell	Rabobank Nederland
925690	Karim Chirara	SNC-LAVALIN AGRICULTURE
925324	Kerry Cochran	Cal Poly State University
924980	Carlos Nayro Coelho	Ministry of Agriculture
925253	Neil Conklin	The Farm Credit Council
925045	Charles V. Cunningham	Charles Cunningham & Assoc.
924901	Francois Dagenais	IICA
925251	Rex Daly	Dixie College
925847	Michele N. Davis	Promar International
925359	Lizardo De Las Casas	IICA
925430	Michael Dean	Embassy of Australia
925038	Alfred Dennis	US ITC
925004	Patricia Dias	Ministry of Agriculture
924966	Kenneth Drucker	S & P Corporate Finance
925260	Bill Ellison	Deere & Co.
925933	Steven Elmore	FAPRI/Iowa State University
925584	Julio Escandon	Mexican Sugar Chamber
925394	Carlos Federico Espinal Gomez	IICA
925344	Luis Esteruelas	Embassy of Spain
925340	Alma Evans	AgFirst
925241	Enrique Figueroa	Cornell University
924881	Helen R. Freeman	Collier, Shannon, Rill & Scot
925574	Stephen Gabriel	Farm Credit Administration
925548	Marco A. Galindo	Bancomer, S.A.-Banca Agrop
924879	Brian Gardner	EPA Associates
925166	John R. Gilliland	Don Wallace Associates, Inc.
926025	Alan Glenn	FCS Insurance
925498	Ruth Goldstein	American Farmland Trust
924872	Noelle Grainger	J.P. Morgan
924904	Guillermo Grajales	IICA
925483	Amy Greene	Wheat First Securities
925511	Charles Hallock	Rabobank Nederland
924951	Victor J. Halverson	USDA
925056	Dave Hamblin	Agribusiness Dev Partners
925156	Lynn Hamilton	Cal Poly State University

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925336	Greg Harnish	WEFA Group
925099	Keth Henley	Cotlook LTD
925188	Frank Hernandez	EPA
925729	Billy Hewett	Embassy of Canada
924975	Jerry Hill	McDermott, Will & Emery
924955	Ken Hobbie	US Feed Grains Council
925337	Mike Hoover	WEFA Group
925370	Yolanda Ianniello	Rabobank Nederland
925358	Masakazu Ikefuchi	Jetro
925035	Cathy Jabara	US ITC
925461	Darryl Jayson	TMA
925439	Lars B. Johanson	US Bureau of the Census
925049	Jim Johnson	US Beet Sugar Association
925263	Stig Kamph	Kamph Trading
925335	Tom Kerr	IICA
925341	Won W. Koo	North Dakota State University
925265	John Kruse	Pioneer Hi-Bred International
925945	Nick Lassiter	NC Department of Agriculture
925365	Martha Lutz	American University
925108	Nancy Lynch	Farm Credit Administration
924911	Colleen Magro	Embassy of Brazil
924875	Alisa Malechek Sell	Florida & Texas Sugar Growers
925178	Bruce Marshall	Chore-Time Brock
925465	Jim Martin	J.G. Boswell Company
925036	Tim McCarty	US ITC
924993	Mike McLeod	McLeod, Watkinson & Miller
925123	John McMillin	Prudential Securities
924964	Mark McMinimy	Schwab Washington Research
924928	John Mento	McKeany-Flavell Company
925489	Robert Miller	
925934	Samarendu Mohanty	Iowa State University
924973	Jorgen Mollegaard	Royal Danish Embassy
925349	Paul Morris	Embassy of Australia
925183	George Murdoch	Chore-Time Brock
925820	Therese Murtagh	EPA
925162	John Mykrantz	USDA/AMS
925169	Charles Neivert	New Vernon Associates
925095	Charles A. Nelson	Bunge Corporation
924863	Christine Nelson	McLeod, Watkins & Miller
925067	Donald O. Nelson	USDA/AMS
924986	James O'Connor	LMC International Ltd
925319	Ryosuke Ogawa	NY Consulate General of Japan
925297	Seiichiro Oyama	JETRO
925104	Amanda Paisner	Colgate University
925946	Nick Paul	NC Department of Agriculture
925254	Patricia Phillips	British Embassy
925333	Jim Phippard	ACDI-VOCA
925037	John Pierre-Benoist	US ITC
925053	Dennis Pittman	FCSIC
925347	Andrea Preiss	Embassy of Australia
925110	Marsha Pyle Martin	Farm Credit Administration
925181	Gene Rasschaert	Pillsbury

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924852	Robert M. Reeves	Inst Shortening & Edible Oil
925267	Thomas Reynolds	Deere & Company
925325	Gervasio C. Rezende	Co. Nacional De Abasteci
925338	Hugues Rinfret	WEFA Group
925127	Mariano Ripari	Embassy of Argentina
925096	Leena Ritola	Embassy of Finland
925052	Peggy Rochette	NFPA
925466	John Rosine	Federal Reserve Board
925443	John W. Ross	American Society/Ag Consultan
925011	Craig M. Ruffolo	McKeany-Flavell Co, Inc.
925167	Jacob Sagiv	Embassy of Israel
925097	Artemy Saguirian	Business Microcosm Corp
925262	Bob Schramm	Schramm, Williams & Assoc. In
925910	Bagie Sherchand	DIA
925554	John Sica	Law Office of John Sica
925328	Max Slingenberg	Royal Netherlands Embassy
925277	Leslie Small	Cook College, Rutgers Univ.
925050	Will Snell	University of Kentucky
924974	Patrick Sondergaard	Royal Danish Embassy
925275	Daria H. Steigman	
925345	Susan Lee Stumme	Arter & Hadden
925132	Jeff Swain	Townsend, Inc.
925024	Terry Townsend	ICAC
924967	Randy Tronnes	Rural Community Insurance
925206	Nathalie Troubat	Ag. & Agri-Food Canada
925543	Volodymyr Vlassor	Embassy of Ukraine
925330	H. Christoph von Heydebrand	German Embassy
925450	Nyle K. Walton	Department of State
925419	Mary Waters	ConAgra, Inc.
925500	Claire Watson	Weil Brothers-Cotton, Inc.
924860	Kazuko White	Mitsubishi International Corp
924877	Dalton Yancey	Texas & Florida Sugar Growers
925540	Jose Zamorano	Bancomer, S.A.-Banca Agrop.
925027	Renan Zhuang	Embassy of the PRC

Total Number of People for Reg Code REGP: 136

Total Number of People Listed: 136

FAX TRANSMISSION

OFFICE OF THE U.S. TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, DC 20508
202-395-9480
FAX: 202-395-3390

To: Ambassador Barshefsky **Date:** March 3, 1997
Fax #: 202-686-7148 **Pages:** 14, including this cover sheet.
From: Joe O'Keefe
Subject: Talking Points

COMMENTS:

Please feel free to call me at home if you have any questions. 202-518-8975. I'm usually up until about 11:00.

speech

**DRAFT OF TALKING POINTS
FOR USTR-DESIGNATE CHARLENE BARSHEFSKY
before the
Emergency Committee for American Trade (ECAT)
4 March 1997**

Trade continues to be a powerful engine for America's economic growth.
(drawn from walters material)

- Since 1992, jobs supported by exports rose by an estimated 1.5 million to an estimated level of 11.3 million last year.
- To put that in perspective: fully one quarter of the increase in America's GDP over the last four years has come from the expansion of exports.
- Trade (exports and imports) in goods and services (including earnings on foreign investment) has risen from a value equal to 25 percent of GDP in 1992 to one equal to almost 30 percent of GDP in 1996, from \$1.6 trillion to almost \$2.3 trillion.
- America's goods and services exports (excluding investment earnings) last year were \$836 billion -- some 35 percent, or \$218 billion, higher than in 1992.
- U.S. exports generally represent the output of some of America's most advanced and productive industries -- industries where both labor productivity

record

and wages are higher than the U.S. national average. In fact, estimates place the wages paid for U.S. jobs supported by U.S. goods exports at some 13 to 16 percent above the national average wage.

- Our track record on exports is all the more remarkable when you consider that the other large industrial economies in the G-7 have been stalled since 1992.
- U.S. industrial production over this period is up nearly 18 percent. By contrast, Japan's industrial production is up only 3 percent, and Germany is down more than 3 percent. We have been able to increase our exports even to countries whose purchasing power has slackened.
- U.S. exports of manufactured products were \$523 billion in 1996, or 42 percent higher than in 1992. Our exports of high-technology manufactured products have grown even faster -- up 45 percent since 1992.
- U.S. agricultural exports have increased sharply, hitting record levels in the last two years. In 1996, agriculture exports were \$61 billion, which is more than 40% higher than 1992.
- U.S. commercial service exports were \$224 billion last year, up 26 percent since 1992.
- Once again, America is the world's most competitive economy and the world's leading exporter.

- Our goods trade deficit with Japan dropped by 10 percent in 1995 to \$59.1 billion. From 1995 to 1996, the deficit dropped 19 percent.
- Our goods exports to Japan have grown by 41 percent since 1992 despite the poor growth of the Japanese economy during most of this period.
- U.S. exports to our NAFTA partners are up markedly from 1992 to 1996: exports to Canada are up by 48 percent; exports to Mexico, by 40 percent.

Ch. us problem.

Our continued success is not automatic. Trade liberalization will stall and recede without U.S. leadership, which would be bad for the American economy and, ultimately, for global stability. (drawn from potus memo)

- President Clinton's first term saw an unprecedented period of trade expansion, which both contributed to and capitalized on the strength of the U.S. economy.
- But we should operate under no illusions about the challenges ahead. We have no alternative to moving forward with trade expansion aggressively in the next four years.
- Otherwise, we will cede economic opportunities to other nations and their companies and their workers.
- America's ability to form alliances based on trade is not only economically important, it is strategically important. It is the way we can project American

leadership, and American values, around the world.

■ Open markets are important, but so are the continued expansion of democracy, human rights, and the rule of law, which can follow increased trade if we can reach the right kind of agreements.

■ The United States is in a position to engage in a number of strategic economic alliances that will benefit us and our trading partners as we come to the end of the century. We can potentially make unprecedented progress in Latin America and Asia and be instrumental in setting the terms of China's and Russia's accession to the WTO.

use of int'l. institutions to inform dom. law & reg.

■ Foremost, fast-track authority is at the center of this larger trade strategy.

Second, we must continue to build a strong foundation for the World Trade Organization. (ITA) Telecom | *use of dispute settlement* | *see Chl*

Russian terms

■ We must also move forward with regional pacts and negotiate bilateral agreements that further open international markets. And, of course, we must

continue to be vigilant and aggressive in our insistence that our trade partners live up to agreements they make with us. (5.) *monit. and enforc.* (6.) *xpnd mkt: banking, corruption, competition, investment*

■ We have been steadfast in leading the effort to assure that China's accession to the WTO would occur on commercial, rather than political, grounds.

Bringing China into the WTO without the requisite changes in its trade regime

*↓
"Sino-Russian" issues*

would be a mistake.

- Despite the operation of something resembling a free market in parts of China, the country as a whole does not come close to conforming to WTO rules.
- China may not make the necessary and dramatic economic changes to secure WTO membership because they could cause significant dislocation in state-run enterprises. This is a rare opportunity to work with China toward profound changes that could not be obtained in the foreseeable future in any other way.
- We have the ability to give China transition periods to make the necessary and appropriate adjustments before assuming full WTO obligations. But there is still much work to be done in this negotiation of historic importance.
- While China's accession has attracted far more attention, Russia's accession could play a crucial part in confirming, and assuring, Russia's transition to a market economy governed by the rules of law and international trade.
- Discussions so far, which have grown out of the Gore-Chernomyrdin Commission, have been quite positive. With a sustained effort, Russia's accession during 1998 or 1999 might be possible, which would undoubtedly strengthen the hand of forces in Russia that favor democracy and market economics. It would also provide an impetus for accession discussions with Ukraine as well.

Fast track is the best tool available to the President to advance U.S. interests abroad. (drawn from potus memo/ huenemann memo)

■ The absence of agreed procedural authority to implement trade agreements is the single most important factor now limiting our capacity to open markets and expand American trade opportunities in the new global economy.

■ Fast track authority is a prerequisite to U.S. negotiating credibility and success on all major trade fronts.

■ Every President since Ford has had fast track authority during key periods. We have opportunities now that our predecessors could never have imagined.

■ ~~Trade now represents an amount equal to 30 percent of the U.S. economy, up from 13 percent in 1970 and 25 percent only four years ago.~~

■ ~~Trade fuels growth in our domestic economy. With exports up 35 percent in the last four years, more than 11 million high-wage U.S. jobs now depend on trade -- that's up 1.5 million in the last four years.~~

■ The ability of the United States to define the nature of our trade relationships will in significant measure determine our leadership role in the next century.

Effective U.S. leadership requires the ability to negotiate, conclude, and implement agreements with our trading partners.

(+) tariff proclaimed with almost 50 years.

- There are dramatic changes and huge opportunities in the new global economy.
Global exports increased 40 percent from 1992 to 1996, increasing from \$4.8 trillion to \$6.6 trillion.
- The rapidly growing markets of the Asia-Pacific and the Western Hemisphere
accounted for nearly 70 percent of U.S. exports last year, up from 65 percent
in 1992. Latin America last year became our fastest growing market followed
by Asia's Pacific Rim.
- There is great unevenness in the relative openness of economies around the
world. The only way to eliminate the imbalance between our economy -- the
most open and successful large economy in the world -- and others that are
more closed is through the negotiation and implementation of agreements with
reciprocal rights and obligations. This requires implementation authority.
- ① ■ Even as our exports to Latin America grow -- on average 40 cents or more of
each dollar spent in the region on imports is spent on U.S. goods -- other
countries are making inroads there. The EU is seeking trade agreements with
key Latin economies -- MERCOSUR, Mexico, and Chile -- and is an
increasing presence in Asia and Africa. China, Japan, and Korea are all
participating in commercial initiatives in Latin America, Africa, and parts of
Asia.

■ We must intensify our global and regional efforts to seek routes to sustain and build our competitive advantage.

■ It is inconceivable that in the arena to negotiate global rules -- the World Trade Organization -- the world's largest trader would not have the leverage of implementation authority to secure trade agreements.

uses of F/T

WTO
■ Within four years, major negotiations will occur in field where the U.S. is a top competitor: agriculture, professional services, and the rules for intellectual property rights.

■ Negotiations to further open the \$526 billion global agriculture market are to be initiated in December 1999.

■ Services negotiations are scheduled to start in January 2000. They will expand a global market that already stands at \$1.2 trillion in trade, some \$220 billion of which is exported by the United States.

■ The trade-related intellectual property rights, or TRIPS, agreement that protects, for example, the interests of the fast-growing \$400-billion-plus copyright industries in the United States is to be reviewed starting in January 2000. We must do everything possible to expand opportunities for such vibrant industries.

■ The built-in agenda from the Uruguay Round provides other opportunities to

open foreign markets. Issues that cut across industries -- such as technical barriers to trade; sanitary and phytosanitary rules; preshipment inspection procedures; import licensing procedures; and product origin rules -- will all be reviewed or negotiated in the next two years.



- Government procurement -- an area in which Asia will have a \$1 trillion in projects over the next decade -- is a key issue to be resolved.
- Within the OECD we should also have the full range of options of conclude and implement the Multilateral Agreement on Investment currently under negotiation to ensure equitable and fair treatment of U.S. investors.
- The U.S. is committed to conclude the Free Trade of the Americas by 2005, but we are also pledged to accomplish concrete progress by the year 2000. A hemispheric trade ministerial meeting this May will determine how and when these critical negotiations will be launched, and a second Summit of the Americas will take place in Chile in ^{March} ~~early~~ 1998. *Need to credibly launch the*
- ~~We are at a key turning point. The region is moving ahead without the United States and our competitors from outside the region are also zeroed in on market access on favorable terms. Implementing authority is vital to U.S. efforts to credibly launch the multilateral FTAA negotiations. It is also important to fulfill a 1994 written commitment to a trade agreement with Chile.~~ *FTAA nego. process - Chile as 1st step.*

- Chile is symbolic of the opportunities in this region, with U.S. exports there up 128 percent since 1990. It is a leading economic reformer in Latin America, and a friend to the cause of free and fair markets.
- Within the Asia Pacific Economic Forum (APEC), we estimate that reaching the goal of open markets would increase U.S. goods exports alone by 27 percent annually, or almost \$50 billion annually. Market opening agreements in this region would provide the U.S. with a strong economic anchor in Asia and give our exporters a strategic advantage.
- The long time frame for achieving free and fair trade in the Asia-Pacific area, coupled with the major challenges of dealing with the diverse APEC nations, make it important to consider whether we could advance our objectives, provide leadership, and enhance our strategic position in the region by negotiating reciprocal free trade agreements with individual nations.
- Australia, New Zealand, and Singapore all present long term possibilities, although even there, serious obstacles would have to be overcome with respect to particular sectors. As in Latin America, fast track authority would be crucial if we are to be able to explore whether such agreements are feasible.
- Fast track authority also has implications for the economic welfare and security of the world as a whole. For example, we should not preclude the possibility

of a comprehensive trade agreement with Russia following its accession to the WTO. Russia's economic potential and opportunities are enormous.

■ Similarly, Africa is a region rich in resources and potential and should be engaged with determination to ensure its effective and sustainable development and democratic governance.

■ With our oldest trading partners, the nations of the European Union, nontariff trade barriers continue to impede TransAtlantic commerce. The most significant hindrances to trade arise from regulatory barriers, such as the differing standards that govern most manufactured products in the U.S. and EU. These complex issues foreshadow similar problems in Transatlantic trade that may require fast track authority.

■ In conjunction with the trade negotiations it conducts under the agreed implementing procedures, the Administration intends to undertake an integrated approach to other key issues, including foreign government labor and environment practices. While the Administration does not intend to use implementing authority to amend U.S. labor or environmental laws, trade agreements can and should complement and enhance both environmental protection and worker welfare.

The Administration will seek enhanced cooperation with our partners on these

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issues, given their important role in a more sustainable and prosperous global economy. We will look carefully at the labor and environmental policies and standards in a country in assessing whether to conclude a trade agreement, and we will work to ensure that countries do have, or are putting in place, good labor and environmental policies and standards.

- For example, the Administration will continue to seek Chile's adherence to the North American Agreements on Labor and Environmental Cooperation upon resumption of the negotiations started last year.

Points on the ITA and the Telecommunications Agreement

- Our recent efforts have gone toward encouraging and stimulating trade in the new infrastructure of the world economy: information technology and telecommunications.
- The Information Technology Agreement by the year 2000 will virtually eliminate tariffs on all information technology products, including semiconductors, computer hardware, software, and related components. Roughly 1.4 million American jobs are tied to high-tech manufacturing, and industry estimates that the tariff reductions will amount to a \$5 billion annual tax cut. This is a huge growth sector for us. In the last four years, exports of

high-tech products are up 42%.

- The Telecommunications Agreement breaks a 60-year tradition of telecommunications monopolies and closed markets, and replaces it with the

principles of open markets, competition and rules.

- These agreements accomplish several things at once:

- they capitalize on America's preeminence in high-tech industry;
- they increase our presence in the Asia-Pacific and Latin America, the two fastest-growing markets in the world;
- they use the force of competition to stimulate dormant economies;
- and, over the long run, they underscore the power of the free exchange of ideas and information, the ideas inherent in democratic society.

- The common denominator in all these efforts -- the push to maintain the integrity of the WTO and the multilateral agreements on information technology and telecommunications -- is American leadership. Time and time again, we have seen that other nations will not move, coalitions will not form, and issues will not be resolved unless the United States is there to lead. Our leadership in trade affects more than American exports; it affects the entire world of trade.

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**Kansas Farm Bureau
Talking Points
Ambassador Barshefsky/Ambassador Shapiro
March 5, 1997**

I. Introduction

- I would like to begin by thanking Gary Hall (President of the Kansas Farm Bureau) for his warm introduction. I know that Gary is a former Secretary of Agriculture in Kansas and feel honored to be introduced by an individual with such distinguished agriculture credentials.
- I would also like to take this opportunity to thank the Kansas, Texas and Nebraska Farm Bureaus for the invitation to speak with you today. (PAUSE)
- Let me start by underscoring up-front this administration's and USTR's continued commitment to U.S. agriculture. I am well aware of the challenges we face on agriculture and we must be poised to meet them head-on. As part of that commitment, I plan to dedicate more USTR resources to opening agricultural markets abroad and ensuring greater reciprocity for US exports. This augmentation of USTR's agricultural staff should pay big dividends in the months and years ahead.
- In addition, Secretary of Agriculture Dan Glickman and I intend to enhance the coordination between USDA and USTR so that we can maximize our impact and results for US agriculture.

II. What you plan to talk about.

- Today, I'd like to touch briefly on the value of trade to our economy and the key role played by agriculture. I will also discuss where we've been on agriculture and where we are going.

III. The Importance of Trade:

A. Economics

- During the Cold War, the United States used trade policy as part of a strategy to help rebuild the economies of Europe and Japan and resist communist expansion. During that period, we often opened our markets to the products of the world without obtaining comparable commitments from others.
- As the dominant economic power in the world, we could afford to do so. And as part of our foreign and strategic policy, we needed to do so.
- The situation we face today is very different. We remain the world's largest economy -- and the largest trading nation. But our economy, which represented over 40% of the world's output following World War II, now represents about 22%.
- Where our economy was once largely self-contained, we are now increasingly interdependent with the rest of the world.

- We are only 4% of the world's population and are approaching zero population growth. At the same time, our industries are among the most productive in the world. That means exports are now critical to our economic health and to the vitality of American business, particularly agribusiness.
- Each year, American farmers and agribusiness enterprises are significantly more productive due to a combination of hard work and technological innovation. Given the limitations inherent in US demand-led growth, we must enhance market access opportunities for American Agriculture if we are to remain the world leaders and if we are to increase our own domestic prosperity.

General Statistics:

- We have worked very hard over the last few years to open markets on all fronts. Let me cite a few examples:
- As you know, total US exports are at record levels.
- Goods and services exports (excluding investment earnings) in 1996 were \$836 billion, some 35% or \$218 billion higher than 1992.
- US exports of manufactured products were \$523 billion in 1996, or 42% higher than in 1992.

- **US exports of advanced technology products have grown even faster. They were \$155 billion in 1996, some 45% higher than in 1992.**
- **Since 1992, jobs supported by exports rose by an estimated 1.5 million to an estimated level of 11.3 million in 1996. Every billion dollars of US goods and services exports supports approximately 14,000 jobs. (Keep in mind that jobs supported by exports average 13-16% higher than the US national wage average.)**

B: Agriculture Statistics

- **Agriculture exports follow a similar pattern:**
- **In 1995, the U.S. set a historical record by exporting \$54.6 billion worth of agricultural goods.**
- **The Department of Agriculture reported last week that US Agricultural exports in 1996 did even better by climbing to \$59.8 billion, another new record. This represents a 40.4% increase in agricultural exports over the last 4 years.**
- **Already today -- one out of every three farm acres in America is dedicated to exports.**
- **50% of our wheat acres, 57% of our rice acres, 37% of our soybean acres,**

24% of our corn acres, 35% of our fruit and vegetable acres and 42% of our cotton acres are dedicated to producing product for export.

Kansas, Nebraska, Texas AG Facts:

- In 1995, new records were also set in total agriculture exports in Kansas (nearly \$3 billion), Nebraska (just under \$3.2 billion) and Texas (over \$3.3 billion). USDA estimates that the 1996 figures will all be higher.
- In Kansas, feed grain exports exceeded \$491 million in 1995, a 36% jump over 1993.
- In Nebraska, live animal and meat exports set a new record in 1995 at \$764 million, up 62% since 1991.
- In Texas, live animal and meat exports were valued at \$659 million in 1995. This represents a 27% increase over 1993.
- Because of statistics like these, US agriculture has become the single largest net exporter of goods.
- These days, we hear a lot about US trade deficits. I'm happy to report that US farmers and agribusiness this last year created an estimated \$27.4 billion trade surplus -- the largest ever.

Overall Statistics

- The overall statistics are encouraging and they reflect in part an already aggressive campaign to open agriculture markets around the world.
- We have fought and successfully ensured that bio-engineered products are getting access to the EU (France, Luxemburg and Austria). As part of this effort, the US has urged the EU to begin streamlining its approval process so that GMOs are treated fairly and are consistently, and reviewed on a scientific basis in a timely and transparent manner.
- We've used the sanitary and phytosanitary principles in the NAFTA and the Uruguay Round of the GATT to open markets for cherries, citrus and apples. U.S. citrus exports are now entering Thailand, Brazil and Mexico.
- As a result of our WTO case against Korea, Korea has converted to a manufacturer's shelf-life system which will significantly open the Korean market to US agricultural products.
- During the Uruguay Round, we negotiated new access to Japan for U.S. pork and rice exports. As a result of these negotiations, U.S. pork exports increased 60%. Before these negotiations, Japan refused to purchase US rice. Over the last two years they have purchased approximately 420,000 metric tons of our rice.

7

- During the Uruguay Round we secured market access for U.S. orange and grape exports to Korea.
- In 1990, before NAFTA and our bilateral agreements with East Asia, we exported \$1.6 billion in beef every year. 5 years later -- after we opened the doors -- we exported \$1.7 billion to Japan alone.
- Last year beef and veal exports to Mexico jumped nearly 80%.
- These are but a few recent achievements.
- This is the good news... but there are also persistent, and new problems. These problems must be attacked bilaterally, multilaterally and regionally. Let me turn for a moment to each method.

A: Bilateral

- U.S. exports of beef produced with growth promotents are banned by the European Union. We took this case to the WTO, arguing that the ban is a violation of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures of the GATT 1994. We expect the panel report to be issued in May.
- The Philippines continues to place barriers in the path of U.S. exports of pork and poultry. We have had enough. We are going to request formal WTO

consultations on this matter.

- The EU has not delivered on its commitment regarding the cumulative recovery system for brown rice and certain duty reductions for malting barley. In response, just last week we requested a panel on the EU's grain import valuation system.
- As you know, some of our fruit and vegetable exports face unjustified sanitary and phytosanitary barriers. We will use the Agreements on the Application of Sanitary and Phytosanitary Measures in the NAFTA and the GATT 1994 aggressively to eliminate these barriers, and will back up our efforts with dispute settlement consultations where necessary.
- Japan continues to require lengthy variety-by-variety testing before it will grant export approval for additional U.S. apple varieties. We will press Japan on this issue at this week's bilateral meeting. If the talks don't yield substantial progress on this issue, we will consider WTO dispute settlement consultations.
- Hungary violated its WTO export subsidy commitments in both 1995 and 1996. Despite protracted consultations to get them to comply, they have not. Four countries (Australia, New Zealand, Argentina and the United States) made a second request for a dispute settlement panel last week.

B: Multilateral

- These are all areas of largely bilateral focus but multilateral progress is also critical.
- We see 3 broad areas of multilateral work:
 - 1st, we have to challenge instances where countries are not fully living up to their Uruguay Round commitments. We will use the WTO Committee on Agriculture to bird dog member countries to implement their Uruguay Round commitments. The Commission will also begin to address emerging agricultural trade problems like tariff rate quota administration, state trading enterprises, domestic support and export subsidies. We will also use WTO dispute settlement and US trade laws where necessary.
 - Second, all WTO accessions must proceed on a commercial basis. This is as true for China as for the other 30 pending accessions. Regardless of other concessions, agricultural issues must be appropriately resolved or there will be no entry into the WTO. Accession offers must be a good deal for US agriculture.
 - Third, we need to begin to think about how to prepare for the next round of agriculture negotiations in 1999 so that the process of reform can pick up where the Uruguay Round left off.
- The bottom line is that we must keep countries moving in the direction of open markets. This Administration is committed to that task.

C: Regional Initiatives

- Finally, a word about our regional initiatives:
- First, under the umbrella of the Free Trade Area of the Americas (FTAA), three hemispheric working groups have been created that will focus directly on agricultural interests. One group will address market access, another sanitary and phyto-sanitary issues, and a third will address subsidies. We will ensure that the work done by these working groups reflects this administration's strong support for US agricultural trade interests.
- Second, we also hope to use the Asia-Pacific Economic Cooperation Forum (APEC) to shape the free trade agenda in the Pacific Rim. APEC economies account for over half of the world's GDP. Nearly 43 percent of our agricultural exports go to Pacific Rim countries.
- Last year, the APEC member countries laid the foundation to achieve free and open trade and investment by the year 2010 for industrialized economies and 2020 for developing ones. APEC's commitment to comprehensiveness means that no APEC economy can exclude agriculture from the goal of free and open trade. This year, an APEC task force will complete the analytical work that will help determine how best to move forward toward this goal.

IX. Conclusion

- President Clinton has fought hard to expand free and fair trade. Market opening initiatives have been and will continue to be the driving force of international trade policy. Future prosperity on the farm, in the countryside and in our nation's cities depends on our continued success in opening up new markets and tearing down trade barriers. Failure to do otherwise would hurt farmers, city dwellers and our nation as a whole.

- Thank you.

Speech

Proposed Remarks for Ambassador Barshefsky
SIA Awards Dinner 3/11/97

This is an evening of "firsts"... The first Presidential Leadership award, and I am truly honored to be the first two-time recipient of the SIA Achievement Award. Assuming that this has something to do with the U.S.-Japan Semiconductor Agreement of last summer, I will warn potential recipients that one benchmark for this award is the ability to stay awake for 53 consecutive hours...

I appreciate Secretary Daley's remarks (and you may want to acknowledge industry or Senators that speak on the importance of the U.S.-Japan agreement or ITA) ^{Let me say 1st 1st} ~~and I would like to say that~~ negotiating any agreement is a team effort and SIA put forward a remarkable team that worked with us every step of the way in Vancouver on the Japan Agreement. I would especially like to

acknowledge Tom Armstrong, Wilf Corrigan of LSI Logic, ~~and~~
Pat Weber from Texas Instruments, Tommy George of
Motorola, and Steve Appleton of Micron. Without their work it
would not have been possible to reach an agreement. ^{in addition} While
negotiations often come down to tough decisions at the eleventh
hour, or sometimes the 53rd consecutive hour, we could never
get to that point were it not for the ^{extraordinary} ~~day in and day out~~ efforts of
an unbelievably dedicated, talented and creative USTR career
staff. Tonight I want to especially acknowledge my appreciation
to Don Phillips, ^{Bonnie Byron, Joanna MacIntosh, Wendy Cukier} ~~and his team~~ for their excellent work for a
number of years on semiconductor issues, Dorothy Dwoskin
without whom the ITA simply never would have happened, and
Don Abelson and his team for their work in creating a truly
global information superhighway through the recently
negotiated telecom agreement. Tonight I also want to express

my appreciation for the tremendous contribution of my dear
friend Ira Shapiro who has announced his decision to leave
 USTR in search of more "profitable" career opportunities. IRA
 -- I will truly miss you.

big
 These three technology agreements[^] -- the Information
 Technology Agreement, the Global Agreement on Basic
 Telecommunications Services, and the U.S. - Japan
 Semiconductor Agreement -- ~~have~~ ^{just completed} provided a significant boost
 to the competitive prospects of U.S. technology exports. Under
 the recently negotiated telecom agreement, today's \$600 billion
 industry will double or triple ^{in size} over the next ten years. Market
 access for U.S. companies, the most competitive
 telecommunications providers in the world, will increase ^{exponentially} to

^{to the benefit of}
~~nearly 100 percent. The telecom agreement will truly give U.S.~~

^{US}
industry and workers tremendous access to the global telecom

market. The unique U.S. - Japan Semiconductor Agreement is

^S
~~working~~ in a number of important ways: Foreign market share

~~rose~~ in Japan rose in the third quarter of 1996, and our

industries reached a dumping agreement in December. But the

^{broader range}
~~real~~ significance of renewing the U.S.-Japan agreement really

became apparent in the fall and winter when this agreement

provided the leverage to knock down the EU's high

semiconductor tariffs as part of the global Information

Technology Agreement. This is the real legacy of the third

^{LAB}
U.S.-Japan Semiconductor Agreement. The sweeping

Information Technology Agreement will entail the elimination

of tariffs on global information technology products including

semiconductors, telecommunications equipment, computers and

computer equipment and software products by the year 2000.

We will see increased world trade and new economic opportunities for American business expansion and job creation as a result of the ITA.

I am aware that 1996 was a tough year in the semiconductor industry, but thanks to the work we ^{have done} ~~did~~ together, ~~on the ITA and the U.S.-Japan Semiconductor Agreement,~~ the long term prospects for the U.S. ~~semiconductor~~ industry are brighter than ever. In 1996, more than 250,000 Americans were employed by the semiconductor industry. We lead the world in semiconductor design, ~~and~~ ^{and} production. ~~US~~ global market share, ~~is 44% of a \$132 billion market; followed by Japan at about~~ ~~36%.~~ 36%.

Notwithstanding the retrenchment in the global semiconductor market in 1996, the growth prospects for the industry are extraordinary. In 1990, global sales were \$50.5 million. In 1995, global sales were \$144.5 million. By the year 2000, global sales will approach \$200 million.



Japan is a

~~This Administration is well aware of the importance of this vital industry, and~~ *We* have made your progress our priority. ~~The hard-~~ *we will continue to do this.*

set

~~fought 1996 U.S.-Japan Semiconductor Agreement was an important marker in our efforts to ensure that the increased market share our industry has earned in Japan cannot be erased.~~

But

~~We will not assume that progress is automatic. We expect the Electronics Industry Association of Japan to do more to accommodate a free exchange of semiconductor innovations and~~

new product applications. We will continue to push to see that all countries that receive the benefits of the ITA meet their obligations to eliminate tariffs in their markets. And, we intend to fully enforce our anti-dumping laws to ensure that the world is playing by rules of fair competition.

(A)

[Even as we have achieved several very important successes on the technological trade front through the Information Technology Agreement, the Global Agreement on Basic Telecommunications Services and the U.S. - Japan Semiconductor Agreement, we cannot stand in place and hope to sustain our global competitiveness. Just as every other president since Kennedy has had Fast Track negotiating authority, the economic challenges and increased competition in the 90s and into the new millennium require that we engage in

Chavira: I would say this as: we can't expect things like this most essential US leadership - and that requires fast track.

Janey

the global economy more aggressively than ever. We cannot expect our agreements, such as the ITA, to deliver increased prosperity automatically; we must assert and create new trade relationships that build and sustain our competitive advantages.

This is every bit as true for technology trade as it is for trade in agriculture and trade in services. I look for your continued engagement in assuring that we meet the challenges ahead of us.] ~~Of course, the world is competitive~~

You have helped to make
~~I salute your contribution in making~~ the United States the most competitive economy in the world, ~~and~~ Secretary Daley, President Clinton, Vice President Gore and I join you in working to ensure that we sustain that position in the 21st century.

Table 1

- 1 William Daley, Secretary of Commerce
- 2 Jerry Sanders, President and CEO, AMD;
Acting Chairman SIA Board of Directors
- 3 Brian Halla, Chairman, President and Chief Executive Officer
National Semiconductor
- 4 Ambassador Ira Shapiro, Senior Counsel and Negotiator, USTR
- 5 Ed Caldwell, Vice President, DEC
- 6 Les Simon, Director of Public Affairs, IBM
- 7 Paul Kaminski, Under Secretary for Acquisition and Technology
Department of Defense
- 8 Mark Melliar-Smith, President, SEMATECH
- 9 Dwight Decker, President, Telecommunications, Rockwell
- 10 Tom Armstrong, President, SIA

Table 2

- 1 Ambassador Charlene Barshefsky, USTR
- 2 Pat Weber, Vice Chairman, Texas Instruments
- 3 Representative Sam Johnson, R-Texas
- 4 Tommy George, President, Semiconductor Products Sector, Motorola
- 5 Wilf Corrigan, Chairman and CEO, LSI Logic
- 6 Barbara Norton, Director Information Industries, USTR
- 7 Alan Wolff, Dewey Ballantine
- 8 William Reinsch, Under Secretary of Commerce for Export Administration
- 9 John Garrett, President, Semiconductor Sector, Harris Corporation
- 10 Curt Crawford, President Microelectronics, Lucent Technology and
Chairman SIA Board Trade Committee

Table 3

- 1 Senator Jeff Bingaman, D - New Mexico
- 2 Craig Barrett, Chief Operating Officer, Intel
- 3 Dr. Al Tasch, University of Texas, Austin
- 4 Larry Sumney, SRC
- 5 Judie Tasch
- 6 Laureen Daly, Department of Commerce
- 7 Jim Dukowitz, Vice President, Corporate Staff Texas Instruments
- 8 Martha Krebs, Director, Office of Research, Department of Energy
- 9 Kent Hughes, Associate Deputy Secretary, Department of Commerce
- 10 Michael Maibach, Vice President, Government Affairs, Intel

Table 4

- 1 Senator Larry Craig, R - Idaho
- 2 Steve Appleton, President and Chief Executive Officer, Micron Technology
- 3 Joanna McIntosh, USTR
- 4 Chuck White, Vice President and Director, Strategic Planning
Motorola Semiconductor Sector
- 5 John Berry, Smithsonian Institution
- 6 Elizabeth Criner, (formerly with Senator Craig's office)
- 7 Linda Sadler, Manager, Public Policy and Governmental Affairs, Rockwell
- 8 John Boidock, Vice President, Government Affairs, Texas Instruments
- 9 Deborah Lamb, Minority Trade Council, Senate Finance Committee
- 10 Gene Cloud, Vice President, Marketing, Micron Technology

Table 5

- 1 Susan Hammer
- 2 Ben Anixter
- 3 Georgiana Flaherty
- 4 Bo Hammer
- 5 John Montgomery
- 6 Marjorie Fernandes
- 7 Marilyn Montgomery
- 8 John Flaherty
- 9 Donna Hammer
- 10 Larry Grant

Table 7

- 1 Bill Archey
- 2 Sharron Bittick
- 3 Kari Dohn
- 4 Cliff Jernigan
- 5 Tom Kalil
- 6 John Allen
- 7 Jay Ziegler
- 8 Bruce Entin
- 9 Peter McCloskey
- 10 Daryl Hatano

Table 6

- 1 Vic Reis
- 2 Taffy Kingscott
- 3 Martin Peckerar
- 4 Bill Bonvillian
- 5 John Young
- 6 Tom Mattson
- 7 Mark Bohannan
- 8 David Beecham
- 9 Henry Kelly
- 10 Jim Glaze