

EXECUTIVE OFFICE OF THE PRESIDENT  
**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE**

OFFICE OF PUBLIC & MEDIA AFFAIRS  
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FOR IMMEDIATE RELEASE  
FRIDAY, AUGUST 27, 1993

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**UNITED STATES AND ECUADOR SIGN BILATERAL INVESTMENT TREATY**

The United States and Ecuador today signed a Bilateral Investment Treaty (BIT), the first with a Latin American country since President Clinton's Trade Policy Agenda was announced this spring. Acting United States Trade Representative (USTR) Ambassador Rufus Yerxa and Ecuadoran Foreign Minister Diego Paredes signed the treaty in Washington.

The BIT guarantees the rights to invest on terms no less favorable than those accorded domestic or third-country investors. It also guarantees the free transfer of capital, profits and royalties, freedom from performance requirements of any kind, access to international arbitration, and internationally recognized standards of expropriation and compensation.

"This treaty is an outstanding example of the progress Ecuador is making in liberalizing its trade and investment regime," said Yerxa. "Together with the comprehensive agreement we have reached on protecting intellectual property, it is a key element of an open investment climate. We expect it will further strengthen economic links between our countries."

The BIT is the twenty-fifth signed by the United States.

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FOR IMMEDIATE RELEASE  
FRIDAY, AUGUST 27, 1993

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Statement by Senior US Trade Official in Response to Media  
Inquiries Concerning Reported Remarks by French and German  
Officials about the Blair House Agreement

Washington-August 27 It is unclear to us at this time  
whether these statements mean that the EC is considering a change  
in its support for Blair House, but obviously this would cause  
grave concerns.

The EC must recognize that Blair House was, itself, a  
painful compromise, and that many US farm groups would like even  
deeper cuts in EC subsidies. Reopening this issue poses the  
serious risk of unraveling the Uruguay Round and reviving the  
oilseeds dispute. We feel certain that the EC will live up to  
its agreements.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release:

August 13, 1993

Announcement of NAFTA Supplemental Agreements  
Statement of President Bill Clinton

I am pleased that the United States, Mexico and Canada have reached agreement on the supplemental accords to the North American Free Trade Agreement.

Last fall, I pledged that I would not submit NAFTA to Congress until my Administration addressed shortfalls in the areas of environmental protection, worker rights and import surges. Early this morning we fulfilled that promise. Today I pledge my strongest commitment to a major effort this fall to secure NAFTA's passage.

With the completion of the side accords, we have turned NAFTA into a pathbreaking trade agreement. NAFTA is strongly in the interest of the United States. This agreement helps our workers, our environment, our businesses and our consumers.

With these agreements on environmental quality and labor standards, the North American Free Trade Agreement has become a fair trade agreement as well.

NAFTA will create thousands of high paying American jobs by unlocking access to Mexico -- a growing market of 90 million people that thirst for American products and services. The old rules marked by high trade barriers and preferences for companies manufacturing in Mexico have been pushed aside. In their place NAFTA establishes a level playing field, low tariffs and a tough mechanism for resolving environmental and labor problems.

NAFTA is part of my broad economic strategy to gear the American economy for a changing world, to channel change for the benefit of working men and women. I look forward to working with the Congress and the American people to make NAFTA a reality.

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FOR IMMEDIATE RELEASE  
THURSDAY, AUGUST 12, 1993

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U.S. Trade Representative Mickey Kantor will hold a press briefing on the NAFTA supplementals on Friday, August 13 at 10:00 a.m. in the Dolly Madison Room at the Madison Hotel, 15th and M Streets, in Washington, D.C.

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FOR IMMEDIATE RELEASE  
THURSDAY, AUGUST 11, 1993

93-53  
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**GSP PROGRAM EXTENDED FOR 15 MONTHS  
NIS COUNTRIES NOW ELIGIBLE**

U.S. Trade Representative Mickey Kantor announced that the Generalized System of Preferences (GSP), which had expired on July 4 of this year, was extended for a period of 15 months until September 30, 1994 as part of the Budget Reconciliation Act signed by President Clinton. The legislation extending GSP is retroactive to July 4, enabling importers to receive a refund of duties paid on GSP items since that date.

"The Administration strongly supports the GSP program," Kantor said. "It serves as a tool to promote economic development, the expansion of markets in developing countries, and the overall trade policy of the United States. The Administration will spend the coming year working closely with Congress, studying ways in which the program can be improved. Our goal is a long-term renewal of an improved GSP."

The legislation also removes the statutory prohibition against providing GSP benefits to the countries which made up the former Soviet Union. "The removal of this vestige of the Cold War enables us to encourage all the newly independent states to pursue badly needed market reforms," Kantor said.

Importers should contact their local Customs Service field office for instructions on applying for a refund of duties paid on GSP items since July 4.

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Media Advisory  
NAFTA Ministerial Meeting

August 6, 1993, Madison Hotel, Washington, D.C. Trade officials Jaime Serra Puche of Mexico, Thomas Hockin of Canada, and Mickey Kantor of the United States have announced they will continue to work and to consult during the weekend -- August 7 and August 8.

On Monday, August 9, the Ministers will provide the press with its next update.

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FOR IMMEDIATE RELEASE  
THURSDAY, AUGUST 5, 1993

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UNITED STATES AND CANADA REACH SETTLEMENT  
IN BEER TRADE DISPUTE

The United States and Canada have reached an agreement to settle the longstanding dispute over access for imported beer in the Canadian market, United States Trade Representative Mickey Kantor announced today. The Memorandum of Understanding (MOU), signed today by Ambassador Kantor and Canadian Trade Minister Tom Hockin, resolves outstanding disputes over discriminatory practices pertaining to the importation, pricing, distribution, and retail sale of U.S. beer in Ontario and all other Canadian provinces. The MOU will allow U.S. brewers to sell their product through Ontario's private retail beer stores.

"I am obviously extremely pleased that a settlement has been reached that will enable both sides to put behind us what has been a very difficult and protracted dispute," Ambassador Kantor said. "The United States took the initiative to resume negotiations aimed at finding practical solutions that will allow our companies access and the ability to compete in the Ontario and other provincial markets, and I am gratified that this approach has finally produced a settlement," he added.

The MOU has been reached following an intensive round of negotiations that resumed in late May. The MOU being announced today averts the implementation of a further increase in duties on Canadian beer. Existing duties of 50 percent ad valorem on beer imported from Ontario, imposed on July 24, 1992 pursuant to section 301 of the Trade Act of 1974, as well as Canada's counter-retaliatory duties imposed on certain U.S. beer, will be lifted effective immediately.

With regard to Ontario, the MOU includes provisions that: mandate access for U.S. beer to the stores and services of Ontario's Brewers Retail Incorporated (BRI), through which the vast majority of beer in Ontario is sold; limit the fees that BRI may charge for carrying U.S. beer; reduce the Ontario minimum

price to provide U.S. brewers greater opportunity to compete on the basis of price; and reduce the Ontario Liquor Control Board's fees for handling U.S. beer. The MOU commits the other Canadian provinces to stand by the plans agreed to in the 1992 "Agreement in Principle" for the removal of discriminatory provincial practices regarding beer by September 30, 1993.

The MOU allows Canada and its provinces to introduce or modify practices so long as they are consistent with the agreement and the General Agreement on Tariffs and Trade (GATT), including the obligations of national treatment. However, the MOU also allows the United States, following consultations with Canada, to terminate the agreement on 30 days notice should the United States consider that any new measure, including discriminatory tax arrangements or minimum price requirements, or modification of an existing measure materially impairs its terms of access.

"For this agreement to remain effective, it must ensure against future discrimination against U.S. brewers of the nature that we have seen in the past", Ambassador Kantor said. "This is why the termination clause is important, and I want to emphasize that we will not hesitate to use it if warranted".

The MOU also contains notification and consultation provisions that will permit USTR and other concerned agencies to monitor provinces' compliance with the MOU, as required by section 306 of the Trade Act of 1974.

The section 301 investigation was initiated by USTR on June 29, 1990 in response to a petition filed by the G. Heileman Brewing Co., and later joined by the Stroh Brewery Co., with respect to Canadian provincial liquor board practices.

On December 27, 1991, the U.S. determined that certain Canadian provincial liquor board practices violated provisions of the GATT, and that action would be taken pursuant to section 301 in the form of substantially increased duties on beer imported from Canada.

The determination was consistent with a report issued by a GATT dispute settlement panel in October 1991. The provincial practices at issue included: restrictions on private delivery and on access to retail points of sale; discriminatory mark-ups and charges for imported beer; and discriminatory minimum price requirements. In its October 1991 report, the panel concluded that Canada had failed to take "serious, persistent, and convincing efforts" to ensure that the provincial liquor boards observe GATT prohibitions on discrimination against imported beer.

Subsequent talks with the Government of Canada in early 1992 led to an "Agreement in Principle" on April 25, 1992, under which the Government of Canada committed to remove promptly some

discriminatory pricing practices, such as cost-of-service charges and differential mark-ups, and whereby the United States accepted a transition period for Canadian brewers such that U.S. beer would be granted private delivery or non-discriminatory access to retail points of sale by September 30, 1993. The Agreement in Principle set forth a framework to guide further negotiations aimed at producing details for settling all outstanding issues in a final agreement.

However, before a final agreement was reached, the Province of Ontario introduced new, more egregious discriminatory measures, including a new pricing structure, that raised the price of U.S. beer above that of its Canadian competitors for the first time. Those measures virtually eliminated the ability of U.S. brewers to compete on the basis of price. The resulting impasse in negotiations led to the imposition on July 24, 1992, of the 50 percent ad valorem duties on beer imported from Ontario.

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FOR IMMEDIATE RELEASE  
MONDAY, AUGUST 2, 1993

93-51  
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USTR ANNOUNCES RESULTS OF "SPECIAL 301" REVIEWS

United States Trade Representative Mickey Kantor announced today results of reviews of intellectual property protection practices of three U.S. trading partners conducted in July under "Special 301" provisions of the Trade Act. On April 30, Ambassador Kantor pledged his commitment to ensuring that our trading partners provide high levels of protection and to resolving particular problems of the U.S. intellectual property community. Reviews were conducted in July on intellectual property practices in Hungary, Thailand and Taiwan.

Hungary

On July 28, Hungary and the United States initialled a comprehensive intellectual property agreement. The agreement covers patents, trademarks, copyrights, trade secrets and semiconductor chips. In particular, the agreement commits Hungary to introduce product patent protection for pharmaceuticals, provides transitional protection that will allow U.S. pharmaceutical manufacturers to fully enjoy the benefits of product patent protection, provides the highest standard of protection for computer software, and provides for significantly improved copyright protection for sound recordings in Hungary.

On April 30th Kantor placed Hungary on a "priority watch list" and USTR requested negotiation of a comprehensive bilateral intellectual property agreement as a basis for adequate and effective protection in Hungary. Upon the signature of the agreement, Hungary will be removed from the "Special 301" watch list.

Thailand

Ambassador Kantor announced he will reexamine in the next thirty days Thailand's status as a "priority foreign country," based on further progress achieved in providing adequate and effective intellectual property protection. The USTR was gratified by strong Thai government anti-piracy enforcement

measures and by submission of a draft copyright law. In addition, Kantor announced that USTR will conduct a comprehensive review in early 1994 of further Thai efforts to eradicate piracy, including in the field of computer software, to enact a strong copyright law consistent with international rules and practices, and to improve patent protection.

On April 30, Ambassador Kantor had identified Thailand as a "priority foreign country" under the Trade Act. On May 5, USTR announced that Thai anti-piracy enforcement efforts and actions to strengthen intellectual property laws would be reviewed on July 31, 1993.

#### Taiwan

Ambassador Kantor expressed satisfaction that Taiwan had successfully completed many key elements of the special 301 "immediate action plan." Taiwan approved and signed the Bilateral Copyright Agreement, enacted a cable TV law, and has committed to improving its trademark protection and enforcement. Ambassador Kantor noted that he would review Taiwan's status on the "priority watch list" based on abovementioned accomplishments and on progress that is achieved in the future.

On April 30, 1993, USTR placed Taiwan on the "priority watch list" and pledged to review on July 31 progress in protection of intellectual property rights based on an "Immediate Action Plan."

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FOR IMMEDIATE RELEASE  
MONDAY, AUGUST 2, 1993

93-52  
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**MEDIA ADVISORY**

USTR Mickey Kantor will join business leaders and administration officials Tuesday, August 3 to brief retail leaders on the status of the NAFTA negotiations and the impact of the agreement on the retail industry. Treasury Secretary Lloyd Bentsen and Doris Matsui, Deputy Director of White House Public Liaison, will also address the audience.

Other speakers will include Spiegel's President/CEO and Vice Chairman John Shea and Chuck Siegel, Chairman and President/CEO of 50-OFF Stores, Inc. The briefing will be held in Room 450 of the Old Executive Office Building from 10:00 - 11:20 am. Kantor and Bentsen will take questions from the audience of retail leaders.

Please contact Kirsten Powers at (202) 395-3350 ASAP to secure a clearance to the briefing.

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FOR IMMEDIATE RELEASE  
THURSDAY, SEPTEMBER 30, 1993

93-60  
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**KANTOR ANNOUNCES DESIGNATION OF RUSSIA AS GSP BENEFICIARY**

U.S. Trade Representative Mickey Kantor announced today that the United States was extending the benefits of the Generalized System of Preferences (GSP) to Russia. Under GSP, the U.S. grants duty-free access to 4400 semifinished and agricultural goods from over 140 developing countries and territories.

"The proclamation signed by President Clinton today fulfills the promise he made at the Vancouver summit to work for the extension of GSP to Russia," Kantor said. "GSP is part of the Administration's overall efforts to help that country pursue badly needed market reforms."

In the first six months of 1993, Russia exported to the U.S. \$82 million in goods which would have been eligible for duty-free treatment under GSP.

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FOR IMMEDIATE RELEASE  
MONDAY, SEPTEMBER 27, 1993

93-65  
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USTR PERSONNEL CHANGES ANNOUNCED

United States Trade Representative Mickey Kantor announced several personnel changes to help USTR deal with the many trade priorities that the agency faces in the 1990s. Kantor's selections of eight Deputy Assistant United States Trade Representatives follow selections he made in July for key Assistant U.S. Trade Representative positions. Kantor selected the new DAUSTRs from the ranks of the USTR's existing personnel, allowing many of our experienced trade negotiators to become part of USTR's senior management team. Some of the new DAUSTRs will not assume their new duties until January 1994 so that they can finish ongoing Uruguay Round negotiations scheduled to be completed in December of this year.

o Wendy Silberman has been named Deputy Assistant U.S. Trade Representative for Japan and China. Silberman has had extensive experience in USTR's Industry office, including work on Japan and China trade issues, which gives her an excellent foundation for the new DAUSTR position.

Silberman replaces Merit Janow who has left USTR to become a Senior Research Associate in the East Asian Institute of Columbia University, where she has research and instructional responsibilities at the School of International Affairs and the Law School.

o Joe Papovich has been assigned to be the DAUSTR for Intellectual Property. Papovich who is already a DAUSTR in USTR's Industry office, is an expert in resolving difficult issues and dealing with a large array of countries. So that he can concentrate on Steel trade matters through the end of Uruguay Round negotiations, his appointment to DAUSTR for Intellectual Property will be postponed until January 1, 1994.

o Gordana Earp will replace Joe Papovich as one of the two DAUSTRs in the Industry office. Earp is an insightful and diligent negotiator who can forge strong alliances with industry representatives and manage the challenges of the DAUSTR position. In keeping with Joe Papovich's reassignment date of January 1994, Earp will become DAUSTR for Industry at the same time.

o Chris Parlin is being assigned as DAUSTR for Multilateral Trade Negotiations. His six years of experience at USTR's Geneva Office will serve him well in effectively handling the multilateral process work. Parlin will work directly with John Schmidt, and will serve on an acting basis until the personnel process is completed for the assignment of Dorothy Dvoskin to the position of AUSTR for GATT Affairs.

o Ralph Ives has been named DAUSTR for Latin America, the Caribbean and Africa. With more than twenty years of federal service, and the last four in USTR's Latin America office, Ives has the first-hand and in-depth knowledge needed for the Latin America DAUSTR job.

o Jon Huenemann is the new DAUSTR for Asia and the Pacific. In his eight years at USTR, he has demonstrated the leadership attributes to help manage trade with the world's fastest growing economies. Because Huenemann is needed through December in his current job in USTR's Latin America office, his assignment to the Asia and the Pacific DAUSTR position will take effect on January 1, 1994.

o Cathy Novelli will serve as one of two new DAUSTRs in the Europe and the Mediterranean Office. Novelli is being assigned as the DAUSTR for Eastern and Central Europe and Eurasia. She has been the agency's principal resource for managing the special trade challenges occasioned by the creation of the New Republics of the former Soviet Union. Her expertise in these areas and her proven leadership provide an excellent foundation for her new role as DAUSTR.

o Bennett Harman has been selected for a second DAUSTR position in the Europe and the Mediterranean office, while serving as the DAUSTR for Western Europe and the Mediterranean. Harman's negotiation record on a variety of bilateral trade issues as well as Uruguay Round matters have been an important part of USTR's successes in recent years. Harman will serve with Cathy Novelli under the leadership of AUSTR Peter Allgeier.

In making the announcement, Mickey Kantor said, "I am particularly pleased that we are making these selections entirely from within our own ranks. The fact that we had so many qualified candidates for each job is testimony to the enormous pool of talent that we have at USTR."

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FOR IMMEDIATE RELEASE  
FRIDAY, SEPTEMBER 24, 1993

93-65  
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**KANTOR ANNOUNCES MAJOR PROGRESS ON ACCESS TO JAPAN APPLE MARKET**

United States Trade Representative Mickey Kantor announced today a major step forward in efforts to open Japan's market to U.S. apples. Japan's Vice Minister of Agriculture, Forestry and Fisheries (MAFF), in a letter to his counterpart at the U.S. Department of Agriculture, has agreed that Japan will move expeditiously to carry out government actions needed to permit entry of 1994 crop year U.S. apples.

Ambassador Kantor and Secretary of Agriculture Mike Espy had requested such a commitment in a joint letter to MAFF in July, one of a series of letters they had written aimed at resolving this issue. Ambassador Kantor had also raised the issue on numerous occasions with Japanese counterparts and the Japanese Ambassador to the U.S. "We are pleased at this significant step forward in this long-standing issue," Ambassador Kantor stated. "We in the Government and those in the apple industry have made strenuous efforts to break into this market. This is a big step forward. We intend to monitor progress carefully to ensure that our apples do reach the Japanese market as promised."

The Japanese letter also confirmed that both countries have agreed on the full list of technical issues that remain to be resolved to permit entry of U.S. apples to Japan. The U.S. Government and industry have been working for over ten years to gain access to the Japanese apple market but have faced a series of changing technical requirements. The July letter from Ambassador Kantor and Secretary Espy had also requested Japanese confirmation of its acceptance of a final list of remaining concerns. Work to resolve remaining technical issues is proceeding.

This understanding covers Golden and Red Delicious apples from the states of Washington and Oregon. Preliminary estimates indicate that U.S. apple exports to Japan could reach \$15 to \$20 million in the first year with steady growth bringing the annual total to \$75 million or more over the next four to five years. 1994 crop year apples will be harvested in the U.S. in the late summer and fall of 1994 and should begin entering Japan in early 1995.

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FOR IMMEDIATE RELEASE  
FRIDAY, SEPTEMBER 24, 1993

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STATEMENT OF AMBASSADOR KANTOR  
ON THE COURT OF APPEALS  
DECISION IN PUBLIC CITIZEN ET AL. v. USTR

o This morning, the Court of Appeals for the District of Columbia Circuit announced its unanimous decision that the National Environmental Policy Act (NEPA) does not require the Administration to prepare an environmental impact statement (EIS) in connection with the North American Free Trade Agreement (NAFTA). This decision reverses the June 30 ruling by District Court Judge Charles Richey.

o The Administration is gratified by the Court of Appeals decision. It was established law that NEPA and the EIS requirement applied to actions of federal agencies, and not to actions of the President himself. We believed, and argued strongly that, the negotiation of the NAFTA, and the submission of implementing legislation to Congress, were the essence of Presidential action--and therefore the EIS requirement of NEPA did not apply. The Richey decision created uncertainty about our ability to proceed with NAFTA, and in fact, the President's ability to negotiate trade agreements at all. By today's decision, the Court of Appeals erases those uncertainties.

o We recognize that the Richey decision raised in the minds of many the feeling that NAFTA could have an adverse effect on the environment. Nothing could be further from the truth: NAFTA will be good for the environment.

o The issue in this case never was whether this Administration was committed to assuring the protection of the environment under NAFTA -- the issue was how. We do not believe -- and the Court of Appeals has agreed with us -- that writing an environmental impact statement under NEPA is the right mechanism for assuring environmental protection in the President's negotiation and transmittal to Congress of a trade agreement such as this.

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FOR IMMEDIATE RELEASE  
WEDNESDAY, SEPTEMBER 22, 1993

93-62  
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**FOREIGN SHARE OF JAPANESE SEMICONDUCTOR MARKET  
DROPS TO 19.2 PERCENT IN THE SECOND QUARTER**

Foreign share of the Japanese semiconductor market was 19.2 percent in the second quarter of 1993. This represents a decline of one full percentage point from the 20.2 percent figure achieved in the fourth quarter of 1992.

"We are extremely concerned about this negative trend in market share," said U.S. Trade Representative Mickey Kantor. He reiterated his view that in light of provisions in the U.S.-Japan Semiconductor Arrangement calling for "steady and gradual" improvement in market access, it is reasonable to expect that foreign market share will average 20 percent over the four quarters of 1993, at a minimum.

Noting the emphasis in the recently concluded U.S.-Japan framework agreement on the need to fully implement all bilateral agreements, he said, "It is difficult to reconcile two consecutive quarters of downward movement in market share with these commitments."

"This negative trend needs to be reversed immediately," said Kantor. "It is important that the Japanese Government and industry take the necessary steps so we see substantial improvements in subsequent quarters."

The market share figure was calculated by U.S. and Japanese government officials in accordance with the statistical system established under the 1991 U.S.-Japan Semiconductor Arrangement. Foreign market share was 20.2 percent in the fourth quarter of 1992 and dropped to 19.6 percent in the first quarter of 1993.

The third quarter 1993 market share figure will be calculated in December.

FOREIGN MARKET SHARE  
UNDER THE 1991 U.S.-JAPAN SEMICONDUCTOR ARRANGEMENT

Q3 1991	14.3%
Q4 1991	14.4%
Q1 1992	14.6%
Q2 1992	16.0%
Q3 1992*	15.9%
Q4 1992*	20.2%
Q1 1993*	19.6%
Q2 1993*	19.2%

\*These market share figures were provisionally calculated based on the same assumptions on captive semiconductor suppliers that were made in previous quarters. The two governments will continue to seek to resolve differences concerning treatment of captive suppliers as soon as possible.

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FOR IMMEDIATE RELEASE  
TUESDAY, SEPTEMBER 21, 1993

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(CORRECTION: DISREGARD PREVIOUS HEADING)

Statement by Ambassador Mickey Kantor

Today's announcement by Majority Leader Gephardt was not unexpected.

We respect Mr. Gephardt, but we do not agree with him. NAFTA will change the unfair rules now stacked against American workers. We believe NAFTA is worth fighting for -- that NAFTA will increase US exports and create high-wage, high-skill jobs here at home.

The evidence clearly indicates that since Mexico began opening its market five years ago, more than 400,000 export-related jobs have already been created. Today, over 700,000 jobs in the United States are supported by exports to Mexico. With NAFTA we forecast a gain of 200,000 such jobs by 1995. Without NAFTA we could lose those 200,000 expected jobs, in addition to 200,000 export-related jobs already filled by American workers.

NAFTA will create the largest single market in the world -- that larger market will help our products be more competitive in global markets, with Europe, Japan and the rest of the world.

Moreover, even opponents of NAFTA conclude that, by the year 2000, immigration into the United States will be reduced by about 1.5 million people.

We are pleased that we enjoy the strong bipartisan support of other leaders of Congress, such as Speaker Foley, Rep. Michel, and Senators Mitchell and Dole, and that all five living former Presidents endorse the pact. Noteworthy, too, is the support given NAFTA by 284 economists, including twelve Nobel laureates, and 41 of our nation's 50 governors.

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TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON  
20506

FOR IMMEDIATE RELEASE  
TUESDAY, SEPTEMBER 21, 1993

93-61  
CONTACT: ANNE LUZZATTO  
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(202) 395-3230

**Statement by Ambassador Mickey Kantor**

o THE U.S. INTENDS TO FINISH THE URUGUAY ROUND NEGOTIATIONS BY DECEMBER 15. WE WILL NOT REOPEN THE BLAIR HOUSE AGREEMENT, EITHER DIRECTLY OR INDIRECTLY.

o INTERPRETATION OR CLARIFICATION OF BLAIR HOUSE CANNOT BE A GUISE FOR MODIFYING THE TERMS OF THE AGREEMENT ACHIEVED IN NOVEMBER, 1992. THE BLAIR HOUSE AGREEMENT, REACHED NEARLY 10 MONTHS AGO, REFLECTED A DIFFICULT COMPROMISE WHICH THE UNITED STATES ACCEPTED IN ITS ENTIRETY.

o THE BLAIR HOUSE AGREEMENT WAS MINIMALLY ACCEPTABLE TO THE UNITED STATES AND TO THE EUROPEAN COMMUNITY'S OTHER TRADING PARTNERS.

o PLANS FOR A MEETING BETWEEN MYSELF AND SIR LEON BRITTAN HAVE BEEN UNDERWAY AND PREDATE THE JUMBO COUNCIL MEETING. REOPENING THE BLAIR HOUSE AGREEMENT WILL NOT BE ON OUR AGENDA.

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FOR IMMEDIATE RELEASE  
TUESDAY, SEPTEMBER 21, 1993

93-59  
CONTACT: ANNE LUZZATTO  
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**USTR ANNOUNCES EXPEDITED REVIEW OF CYPRUS'  
ELIGIBILITY AS A BENEFICIARY OF THE  
GENERALIZED SYSTEM OF PREFERENCES (GSP)**

The Office of the United States Trade Representative announced today that it is conducting an expedited review of Cyprus' eligibility for preferential trade treatment granted to developing countries under the U.S. Generalized System of Preferences (GSP) program.

The review is being taken in response to a petition filed on June 1, 1993 by the International Intellectual Property Alliance (IIPA) alleging that Cyprus does not provide adequate and effective protection of intellectual property rights and therefore is not in compliance with the eligibility criteria for GSP.

On April 22 the Cyprus House of Representatives enacted a new copyright law that contained several improvements to the existing law, including stronger enforcement provisions to combat widespread piracy of video and audio cassettes.

The legislature, however, deferred implementation of the new law until January 1, 1994, and immediately suspended existing criminal penalties, thus eliminating all criminal copyright penalties in Cyprus for eight months.

"Suspending criminal copyright penalties is unprecedented, and we view it with the utmost seriousness," Ambassador Kantor commented on Cyprus' action.

Under the expedited review interested parties have until October 13 to submit written briefs or statements in support of or in opposition to suspension of Cyprus from the GSP program.

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WASHINGTON  
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FOR IMMEDIATE RELEASE  
WEDNESDAY, SEPTEMBER 15, 1993

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**Media Advisory**

Deputy U.S. Trade Representative Rufus Yerxa will hold a news conference to discuss NAFTA at the Detroit Club, 712 Cass Ave. in Detroit, Michigan on Thursday, September 16, 1993 at 11:00 a.m. He will then address the Michigan International Trade Coalition at a noon luncheon the press is invited to attend.

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

FOR IMMEDIATE RELEASE  
THURSDAY, SEPTEMBER 9, 1993

93-58  
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USTR Removes Thailand from Priority Foreign Country List

U.S. Trade Representative Michael Kantor announced today that he has revoked Thailand's identification as a "priority foreign country." He also announced that he will place Thailand on the priority watch list and conduct another review of its progress on protecting intellectual property rights in early 1994.

"The Royal Thai Government has made significant progress in resolving these longstanding issues," Ambassador Kantor said. "Continued strong enforcement and improved intellectual property legislation, however, will be essential to a final resolution of these issues."

The decision to revoke Thailand's identification as a "priority foreign country" was based on the positive steps taken by the current Royal Thai Government to improve IPR protection. Also key in the decision were the Royal Thai Government's commitments to continue strong enforcement and to raise intellectual property laws to world standards. The early 1994 review will examine the effectiveness of Thai enforcement efforts, the status of intellectual property legislation, and Thailand's status on the priority watch list.

On April 30, Ambassador Kantor identified Thailand as a "priority foreign country" under the 1988 Trade Act. On May 6, he announced that, as a result of bilateral talks and improved enforcement by the Royal Thai Government, he would conduct a special review of Thailand's efforts to provide intellectual property protection and, on that basis, consider Thailand's identification as a "priority foreign country." The decision to revoke Thailand's status as a "priority foreign country" is a result of that review.

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

FOR IMMEDIATE RELEASE  
THURSDAY, SEPTEMBER 9, 1993

93-57  
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**USTR Statement in Response to Press Inquiries**

Contrary to the impression conveyed in a story in the New York Times this morning, Ambassador Kantor has consistently stated that the Administration has every intention of ensuring a vote on NAFTA this year.

OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON  
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FOR IMMEDIATE RELEASE  
THURSDAY, SEPTEMBER 2, 1993

93-56  
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**Statement of Ambassador Mickey Kantor  
United States Trade Representative**

*NAFTA AND THE PEROT-CHOATE BOOK*

With the supplemental agreements completed last month, the public and Congressional debate over NAFTA begins in earnest. It is important to cut through the mountain of misinformation and sheer lack of understanding of this complex issue to recognize what is at stake in NAFTA.

The foremost commitment of President Clinton and his Administration is to build the strongest, most competitive economy in the world, to create new and better job opportunities for United States workers and for their children who will be entering the work force.

All our initiatives work together in pursuit of that overriding objective. We started with the President's economic program: making our nation more competitive and productive by bringing down the deficit and increasing investment. We are following with the drive to reform the health care system and the effort to re-invent government. We recognize that trade agreements are no substitute for dealing with fundamental domestic problems that have weakened our economy and our country for too long.

But in the intensely competitive global economy, a trade policy is an indispensable part of our economic strategy. The President and I have repeatedly stated the objectives of our trade policy: to compete, not retreat behind our borders, and to ensure that the markets of other countries are as open to our products and services as the U.S. market is to theirs. Our prosperity, and that of our children, depends on our ability to compete and win in a global marketplace. We will not accept an unbalanced trading relationship, and we will no longer subordinate our economic interests to foreign policy and defense concerns.

The companies, farmers and workers of the United States are world-class competitors. We lead the world in everything

presently export only 1,000 cars to Mexico annually, predict an increase to 60,000 cars from the U.S. in the first year. Through the supplemental agreements, NAFTA gives us new ways to insure that Mexico will enforce the strong environmental protection and labor laws that it has on the books.

#### **PEROT CHOOSES PROTECTIONISM AND DEFEATISM OVER EXPANDED MARKETS AND EXPANDED GROWTH**

Perot--by opposing NAFTA--chooses a defeatist path which will reduce U.S. economic growth and job creation. In the past few years, export-led growth has been the brightest spot in the U.S. economy. Mexico, and Latin America beyond it, represent potential markets of 400 million people. By calling for the defeat of NAFTA, and in fact advocating higher tariff walls against products from Mexico, Perot risks the gains we have seen, as well as additional gains we expect from NAFTA and the completion of the Uruguay Round.

In seeking to raise the walls around our economy, Perot ignores the lessons of history. More than 60 years ago, when our economy was much more self-contained, the United States tried to insulate ourselves from competition through high tariffs. The Smoot-Hawley tariff contributed to the Great Depression. Today, with about one quarter of our economy involved in trade of goods and services, the course of action Perot advocates would be devastating to the U.S. and the world economy.

This is clearly the wrong path for America. The issue before us is simple: how do we create good jobs and competitive industries in a rapidly globalizing economy. We believe this can only be done by reaching outward, not looking inward, and by opening the markets of the future. As President Clinton has said, we must compete, not retreat behind our borders.

#### **PEROT THINKS AMERICAN WORKERS CAN'T COMPETE**

At the heart of Perot's book is the belief that U.S. workers can't compete with low wage countries like Mexico. President Clinton believes that American workers and businesses can compete anywhere that the rules are fair and markets are open.

Wages are one factor, but they are not alone determinative. We compete based on the productivity and the skills of our workers, the excellence of our products and services, and the strength of our transportation and communications system. That is the formula for success that Germany and Japan have followed, and that is the natural path for our country.

It was certainly hard to compete when Mexico's markets were completely closed to our products, as they were prior to 1986. But since Mexico began opening its markets, we have transformed a \$5 billion trade deficit with Mexico into a \$5.4 billion trade surplus. Mexico has already become our third

from computers and telecommunications to financial services and soybeans. We have regained our position as the world's leading exporter. But assuring that markets are open for our manufactured goods, our services, and agricultural products is absolutely critical to building our economic success.

This Administration did not negotiate the NAFTA. Moreover, Bill Clinton as a presidential candidate was critical of the economic and trade policy of his predecessors. When we studied NAFTA during the presidential campaign, we approached it skeptically. There were powerful political reasons for opposing it.

But when we studied it further, we found that NAFTA--- strengthened by supplemental agreements---would be in the economic interest of the United States. It is not a favor for Mexico. It is a good deal for American workers, companies and farmers. And it is an important piece of an economic strategy to build a high-wage, high skill competitive economy.

The administration has the responsibility to convince Congress and the country that NAFTA is in our economic interest, and we intend to do so. We will succeed because we have the facts on our side, but also because we understand---at least as well as our opponents do---the fears of American working people that their economic future, and their children's, are not secure; that their standard of living has declined; and that their prospects are diminishing. NAFTA is part of the solution, rather than part of the problem, and we intend to show it.

I have spent a significant amount of time over the last few days reading through and thinking about the Perot/Choate book. The book contains several major themes with which I fundamentally disagree:

#### **PEROT CHOOSES THE STATUS QUO OVER CHANGE**

In opposing the agreement, Perot is opting for the status quo which operates to the disadvantage of U.S. workers and companies and the environment. Despite Mexican progress in voluntarily opening markets, Mexican tariffs remain, on the average, 2 1/2 times higher than ours. Numerous Mexican non-tariff barriers, such as performance and trade balancing requirements, force U.S. companies to move to Mexico in order to sell there. Maquiladora industries distort U.S. business decisions to the disadvantage of U.S. workers. The lack of intellectual property protection hampers our motion picture and recording industries, as well as computer software and others. Meanwhile, Mexico enjoys virtually unlimited access to the U.S. market.

This unacceptable status quo is what the opponents would lock in. Our alternative is NAFTA, which brings down Mexican trade barriers, levels the playing field for U.S. companies and workers; it will no longer be necessary for companies to move to Mexico to sell there. The Big Three auto companies, which

leading export market, and the second leading market for our manufactured exports. We have succeeded even though Mexican trade barriers---tariff and non-tariff---remain far higher than ours. This is clear evidence of our ability to compete.

#### PEROT RELIES ON INACCURACIES, ERRORS, AND MISLEADING STATEMENTS

Beyond the major misconceptions in the Perot/Choate book, it is riddled with inaccuracies, errors, and misleading statements-- we have identified 193. Among the most serious:

- o Perot states that 5.9 million jobs are "at risk" because of NAFTA. The methodology for reaching the 5.9 million figure is fundamentally flawed. The authors simply identify, from Census data, industries where wages account for more than 20 percent of the value of output. Under the Perot/Choate scenario, the "at risk" jobs include high wage, high skill jobs in our most competitive sectors, including aerospace, medical equipment, and sonar equipment--sectors where we are in no danger of losing jobs and in fact will increase employment with NAFTA. The authors also describe as "at risk" jobs which face no competition from Mexico such as bakers and wood-pulp millers.
- o The book quotes the previous Secretary of Labor stating that NAFTA will cost 150,000 U.S. jobs. The book ignores the fact that the same Secretary of Labor, during the same hearing and citing the same study, went on to say the NAFTA will create 325,000 jobs--a net increase of 175,000.
- o Perot states that NAFTA will lower U.S. health and environmental standards. In fact, nothing in the NAFTA could even be construed as lowering any federal, state or local standard. NAFTA specifically insures the ability of each country, including its state and local governments, to maintain as stringent environmental and health standards as it considers appropriate. Moreover, the supplemental agreements include specific commitments from the three nations to harmonize standards upwards--not downwards.
- o Perot claims that the U.S. auto industry is on the "endangered" list. In fact, an independent study done by the Congressional Budget Office shows that U.S. auto companies and workers will both gain under the NAFTA, thanks to the dismantling of the Mexican performance, trade balancing, and local content requirements, as well as the elimination of Mexico's current 20% tariff on auto imports. Indeed, an Office of Technology Assessment study found that the total cost of delivering a car to the U.S. market is higher for a plant in Mexico than for one located in Michigan--despite the wage differential.
- o The book has it 180 degrees wrong on the subject of NAFTA and Mexico's Maquiladora program. Contrary to the Perot book claims, NAFTA does not extend the distortions of the Maquiladora program, it eliminates them. If we do not pass the NAFTA, all of the things the book claims not to like

about the Maquiladora program will simply continue, instead of being phased out.

- o The book plays fast and loose with statistics to paint a false impression that Mexican wages are declining, when in fact those wages are rising. The book says that real Mexican wages have dropped by 50 percent during the last ten years. The truth is that Mexican wages rose during the oil boom of the 1970s then declined from 1980 to 1987 because of the debt crisis and runaway inflation. Since 1987, however, when Mexico began opening its markets and reforming its economy real wages have risen by 27 percent and most recently, Mexico's President announced that Mexico would require the minimum wage to rise with productivity increases.
- o The book creates a thrilling-but fictional-scenario about the Administration sneaking an extension of fast track authority for NAFTA through the Congress this year. In fact, fast track authority for NAFTA was obtained after a spirited and extended public debate in 1991, and no extension was needed for NAFTA. This year's fast track extension pertained only to the Uruguay Round of the GATT.
- o The book claims that NAFTA jeopardizes the safety of American travelers by opening U.S. roads to trucks and drivers who do not meet U.S. minimum safety standards. In fact, no provision of NAFTA exempts Mexican and Canadian vehicles or drivers from U.S. environmental or safety standards. This means that Mexican trucks must comply with all U.S. regulations on length, weight, and disclosure for transport of hazardous materials. Each country retains the right to enforce standards that are more stringent than standards in effect in other countries.
- o The book states that the NAFTA deal on agriculture is a terrible deal. In fact, U.S. agriculture and the American farmer are big winners under the NAFTA. Conservative estimates show an expected increase of between \$2.0 to \$2.5 billion in U.S. agriculture annually by the end of the NAFTA transition period. Those exports alone will create over 50,000 new farm related jobs in the United States and boost farm incomes.
- o The book claims that NAFTA has the potential to increase immigration, not decrease it. In fact, nothing could be more important to reducing immigration to the U.S. from Mexico than increasing economic opportunity in Mexico. Even the Economic Policy Institute, which opposes NAFTA and is a major source for the Perot/Choate book, claims NAFTA will reduce immigration by more than 1.4 million persons in the next six years.

A more detailed compendium of misstatements is attached.