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Record Group/Collection:	George H.W. Bush Presidential Records
Collection/Office of Origin:	Chief of Staff, White House Office of
Series:	Sununu, John, Files
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OA/ID Number:	29156
Folder ID Number:	29156-005

Folder Title:
Fast Track 1991 [5]

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Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	From Roger Porter to John Sununu Re: Fast-Track Package (2 pp.)	4/16/91	~~P5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Fast Track 1991 [5]

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 10/28/05

Date Closed: 1/4/2005	**OA/ID Number:** 29156-005
FOIA/SYS Case #: 1998-0004-F[2]	**Appeal Case #:**
Re-review Case #: 2005-0426-S	**Appeal Disposition:**
P-2/P-5 Review Case #:	**Disposition Date:**
AR Case #:	**MR Case #:**
AR Disposition:	**MR Disposition:**
AR Disposition Date:	**MR Disposition Date:**

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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1

THE WHITE HOUSE

WASHINGTON

April 16, 1991

THE CHIEF of STAFF
has seen

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: ROGER B. PORTER RBP

SUBJECT: Fast-Track Package

As requested, we have reviewed carefully the draft fast-track package prepared by USTR. While the package does not contain dramatic new initiatives, it should allay Congressional concern about the U.S.-Mexico free trade agreement.

From a political standpoint, it is important that the package be perceived as a serious effort by the Administration to address concerns about the impact of free trade agreement on U.S. jobs, the environment, and Mexican labor standards. While the momentum on the fast-track has shifted to the Administration in recent weeks, many Members of Congress have withheld their support pending review of the action plan. If the plan is severely criticized by the press or key Members, the momentum will shift to the unions at a late stage in the fast-track process. It would be difficult and costly for the Administration to reverse a loss of momentum. Three issues are crucial:

- Environment. There is concern that Mexico will become a "pollution haven" for U.S. firms. The plan rejects demands that the FTA be linked to Mexican adoption of U.S. environmental standards. Instead, it proposes separate negotiations to facilitate bilateral cooperation on the border, environmental enforcement, and technical assistance, thereby upgrading Mexican environmental performance. While the environmentalists also want an environmental impact statement under NEPA, the plan proposes a USTR-led interagency review instead.

- Worker Rights. Concern has been expressed about Mexican protection of worker rights and occupational health and safety standards. The plan points out that Mexican laws in these areas are quite strong. To address concern that the laws are not enforced, the plan proposes U.S. technical assistance to Mexico. This is the most limited part of the package, but it is difficult to go much farther, given Mexican sensitivities.

- U.S. Jobs. Gephardt and others have expressed concern about the adequacy of U.S. adjustment assistance programs. While disagreeing with predictions of U.S. job losses, we also point out that the Economic Dislocation and Worker Adjustment Assistance (EDWAA) program was enacted in the 1988 Trade Act and has been highly successful in retraining dislocated workers. There will be pressure to commit to a funding target for EDWAA or to expansion of the Trade Adjustment Assistance (TAA) program. We propose to take the position that:

1) The TAA program is ineffective and should not be used; and

2) It is highly premature to commit funds for an agreement that has not been negotiated and whose job impacts are unknown; and

Lively discussion continues within the Administration on both environmental and labor issues. While we are near agreement on most issues, your guidance on three issues would be helpful:

- EDWAA Funding. Discussions with Rod DeArment and Tom Scully indicate that it is important that the Administration be prepared to commit to "adequate funding" for EDWAA, although it is also important to avoid any figure. This would address concerns about the adequacy of U.S. worker adjustment programs and divert attention from the Trade Adjustment Assistance program, which we do not support. OMB has no objection to continuing to fund EDWAA at the $526 million budgeted for FY 1991.

- EPA Role. As was discussed in the President's meeting with Bob Strauss and other business leaders, it would be helpful to give Bill Reilly a prominent role in the Mexican environmental negotiations. This would give the environmental package additional credibility.

- Presidential Involvement. USTR proposes that the package be transmitted by Ambassador Hills. My recommendation is that the President issue a statement as well. This would show his direct involvement in the fast-track, but leave the defense of the technical aspects of the package to USTR.

The draft fast-track package will be discussed Wednesday afternoon at the sub-cabinet level, with a meeting of the Economic Policy Council scheduled for Monday, April 22.

Attachment

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Memo	From Roger Porter to John Sununu Re: Mexican-American and Catholic Support for the Fast-Track (2 pp.)	4/17/91	~~P-5~~	

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AC/ER

THE WHITE HOUSE

WASHINGTON

April 17, 1991

THE CHIEF of STAFF
has seen and talked
with Cardinal Law

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: ROGER B. PORTER RBP

SUBJECT: Mexican-American and Catholic Support for the Fast-Track

La Raza, a key Mexican-American lobbying organization, and the United States Catholic Conference are considering taking positions on the fast-track. Their support for free trade with Mexico could be very helpful in framing the fast-track debate. Their opposition could create serious difficulties for us. There are steps we can take to influence their positions.

La Raza

I am meeting later this week with Raul Yzaguirre, the President of La Raza. While La Raza traditionally has focused on social issues, its concerns are evolving into the economic area, consistent with the growth of Hispanic businesses. According to our sources, La Raza is leaning toward endorsing a Mexico free trade agreement, although it is awaiting the Administration's action plan. While La Raza supports closer economic ties to Mexico, it is under pressure from the unions, particularly the United Farmworkers Union, which has a large Mexican-American membership and is concerned about future imports of Mexican fruits and vegetables.

Yzaguirre has written to the President (copy attached) and is likely to raise these concerns in our meeting. I believe there are areas in which we may be able to respond positively, and will report back after our meeting on what these areas might be. Obviously, La Raza's endorsement could be very helpful, since it would put the Mexican-American community squarely behind the FTA.

United States Catholic Conference

According to a lobbyist who has worked closely with the United States Catholic Conference (USCC), the organization is split on the U.S.-Mexico free trade agreement. The Migration and Refugee Services Section supports the FTA. The International Justice Section, which has close ties to U.S. labor unions, is opposed. Both are preparing draft Conference positions.

It would be very helpful to have the USCC's support, or at a minimum to have the organization remain neutral. The position of the Catholic bishops is crucial, since they can help determine the USCC position. If the Conference remains neutral, the bishops can speak out independently for the FTA. According to our sources, important church officials on this issue include Cardinal Law (Boston), Cardinal Bernardin (Chicago), Bishop Flores (San Antonio), and Archbishop Mahoney (Los Angeles). Cardinals Law and Mahoney reportedly support the FTA.

Since you have a good relationship with Cardinal Law, you might explore whether he would be interested in organizing a private visit by a small group of Church officials to the White House to discuss the FTA. Ambassador Hills should also participate. Such a meeting would foster a high-level dialogue and help allay Church concerns about free trade.

Attachment

NCLR
NATIONAL COUNCIL OF LA RAZA
Raul Yzaguirre, President

National Office
810 First Street, N.E., Suite 300
Washington, D.C. 20002
Phone: (202) 289-1380
Fax: (202) 289-8173

April 15, 1991

President George Bush
The White House
Washington, D.C.

Dear Mr. President:

The nation in currently engaged in a heated debate about the proposed free trade agreement (FTA) between the United States and Mexico. The Hispanic community in the United States takes a particular interest in this debate; we believe that an FTA could have many benefits for our community, not the least of which could be improved relations between the two governments, and greater understanding between the people of these two great nations.

The National Council of La Raza (NCLR) is persuaded that the FTA also offers many potential economic benefits to the United States and to Mexico. In an environment in which the U.S. is losing jobs to various nations in the third world, an FTA could help keep jobs in the hemisphere, improving conditions for Mexican workers, creating new markets for American products and thus increasing employment opportunities for all Americans, including Hispanics. However, we are concerned that an FTA also presents dangers and opportunities to workers in the United States; if these dangers are realized or if the opportunities are lost, Hispanic-American workers will suffer disproportionately.

The very details of the agreement which you and President Salinas will negotiate, and the policy proposals which you propose to Congress along with the FTA will determine whether an agreement will ultimately benefit or harm Hispanic Americans. While we understand that you cannot present the details of an agreement which has not yet been negotiated, we believe that you can formulate social policies of your own as part of the Administration's FTA agenda. We urge you to incorporate the following issues of critical importance to the Hispanic community in the United States as part of your agenda for an FTA:

- **Training Programs** - Analysts on both sides of the FTA issue agree that some jobs will be lost in the United States, primarily to low-wage workers. The industries most likely to be affected are the very industries and wage sectors where Hispanic workers are concentrated. If the U.S. will benefit from an FTA by increased higher-wage, skilled jobs, it is critical that Hispanic workers have access to these jobs. This means that an FTA must be accompanied by substantial retraining programs for dislocated workers, and for Hispanics who are new to the workforce or have low skill levels. A recent NCLR report has shown that current federal job training programs do not serve Hispanic workers well. We believe that new programs must be designed so that <u>all</u> American workers will benefit from an FTA.

- **Impact Assistance for the U.S.-Mexico Border** - While there is substantial reason to believe that an FTA will have a positive impact on the U.S.-Mexico border region, it is also clear that this area will be substantially affected by the expanding relationships between U.S. and Mexican businesses. An FTA is likely to create an increased need for basic infrastructure in border communities, and is likely to intensify pressure on institutions like hospitals, which provide basic services and have suffered from difficult economic conditions and long years of neglect. In order to prevent an unreasonable strain on the border region, and to provide for infrastructure which U.S. businesses will need, and FTA should be accompanied by an impact assistance program for the U.S.-Mexico border.

- **Environmental Protection** - The environmental issues related to an FTA which most affect Hispanics are illustrated by the *maquiladora* program now operating along the U.S.-Mexico border. There are widespread reports that the *maquiladoras* have led to rampant environmental abuses affecting both sides of the Rio Grande. An FTA must be accompanied by sound environmental policy on both sides of the border, and reasonable assurances that environmental laws will be enforced by both countries.

- **Labor Standards** - The U.S. and Mexico have significant differences in wage rates and other labor standards which affect the quality of life for workers. An FTA must do more than simply replace U.S. workers with lower paid Mexican workers; it must have the effect of improving conditions for workers in both countries. An FTA must include fundamental labor rights and standards for both countries, and provide reasonable assurances that they will be enforced on both sides of the border.

In addition, we urge you to stand firm in your commitment not to include any temporary worker programs as part of an FTA. Guestworker programs in the past have been disastrous for Hispanic workers from both countries; under no circumstances should such programs be attached to the FTA agenda.

NCLR is currently inclined to endorse the FTA and the fast track, and to encourage you to enter negotiations with the Mexican government. However, because we are Americans first and foremost, and because our community could suffer negative effects if an FTA does not address the issues outlined above, we cannot lend our support unless we are reasonably confident that Hispanics will not be harmed by an FTA, and that we will have access to its economic benefits. I urge you to consider these important concerns as you develop your policy proposals.

Sincerely,

Raul Yzaguirre
President and CEO

cc: Carla Hills, U.S. Trade Representative

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

1957 E Street, N.W. • Washington, D.C. 20006 • (202) 393–2040 • FAX (202) 347–4004

MARVIN M. BLACK, *President* ROBINS H. JACKSON, *Senior Vice President* BYRON L. FARRELL, *Vice President*

LAWRENCE J. McGOUGH, *Treasurer* HUBERT BEATTY, *Executive Vice President*

April 10, 1991

The President
The White House
Washington, DC 20500

Dear Mr. President:

The leaders of our Chapters nationwide and the Officers of the Associated General Contractors of America are looking forward to their briefing in Room 450 of the Old Executive Office at 10:00 a.m. Monday, April 15.

Two important issues in which they are particularly interested are also high on your agenda, Civil Rights legislation and the U.S.-Mexico Free Trade agreement on a fast-track basis.

As you know, AGC strongly opposed the quota-inducing provisions of the Kennedy/Hawkins bill, worked hard to help sustain your well-deserved veto of it, and remains totally committed in its opposition to this quota-inducing, nation-splitting version of last year's bill.

AGC fully supported the U.S.-Canada Free Trade agreement and had no difficulty doing so based on the association's long-standing support of a free market economy.

The U.S.-Mexico Free Trade agreement was discussed last month by our Executive Committee in anticipation of a request from your Administration for support of it. We were requested to prepare, for consideration at our Executive Committee meeting on May 6, a list of the pros and cons of the U.S.-Mexico Free Trade agreement.

In that regard, too, it would be of inestimable help if you could address the briefing of the association's nationwide chapter and national leadership at their April 15 briefing. That occasion would also facilitate our presentation of AGC's S.I.R. Award for your Skill, Integrity and Responsibility in freeing Kuwait.

We hope that your schedule will permit you to address our Leadership Conference on April 15, and we believe it to be an excellent forum that will reflect continued strong and unwavering support of your magnificent leadership.

Sincerely,

Hubert Beatty

Hubert Beatty
Executive Vice President

cc: The Honorable John H. Sununu

THE WHITE HOUSE

WASHINGTON

DATE: 4/11

NOTE FOR: EDE HOLIDAY

The President has reviewed the attached, and it is forwarded to you for your:

Information ☐

Action ☒

(Please pass to Secretaries Brady and Mosbacher and Amb. Hills.)

[redacted]

Thank you.

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
(x2702)

cc: The Chief of Staff -- FYI ✓
Gen. Scowcroft -- FYI
David Demarest -- Action
Marlin Fitzwater -- FYI

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03a. Memo	From POTUS to Carla Hills Re: Attached Material from President Salinas on NAFTA (1 pp.)	4/10/91	P5	

Collection:

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THE WHITE HOUSE
WASHINGTON

DATE: 4-10-91

FROM THE PRESIDENT

TO: Carla Hills, Ambassador USTR
Secs.Mosbacher, Brady

cc: Speechwriters
NSC/Scowcroft/Sununu
Marlin

President Salinas handed me the attached statistics and information on the Free Trade Agreement.

Much of it is very useful

GB

THE TRILATERAL FREE TRADE AGREEMENT.

1. The Effects for Mexico of a Rejection of FT Authority.

A rejection of fast-track authority would have adverse political effects in Mexico. Such an outcome would benefit the interests of those who oppose the market-oriented economic reforms currently underway. Secondly, it would have long lasting consequences on Mexican-American relations: If many negative views about Mexico were voiced in the U.S., a congressional rejection would be taken as evidence that the new approach in our relations with the U.S. was unwarranted and ill advised. Finally, a negative outcome could discourage other Latin American nations from seeking closer ties with the United States.

2. Splitting: No Separate Extension of Fast-Track Authority.

Some U.S. Congressmen have proposed that the extension of fast-track authority be considered separately for the NAFTA and the Uruguay Round. Mexico is deeply concerned about this possibility, since it would allow some key figures in the U.S. Congress to vote in favor of an extended authority to conclude the Uruguay Round, but against granting it for an agreement with Mexico.

Mexico is similarly concerned by any procedural option that would introduce explicit conditions on side-issues different from trade or formal consultations with some Committees of the House, that may appear offensive and discriminatory compared to the fast-track authority granted in the case of Canada and Israel. If pressures to include additional non-trade issues in the agenda for the negotiation grow in the U.S., we will not be able to resist those in Mexico who wish to include other topics of particular interest, such as non-documented migrants and the protection of their basic rights in the United States.

3. The Need for Advice on Mexico's Involvement in the FT Congressional Debate.

The Government of Mexico is willing to help in any way it can to secure an extension of fast-track authority, but we are aware that we may act in a way that could be perceived as inappropriate intrusion in American politics. In order to minimize this risk, any suggestion would be appreciated.

4. The Response to the Bentsen/Rostenkowski Request.

Senator Bentsen and Representative Rostenkowski have requested the Administration to submit a detailed proposal about how it intends to address the concerns voiced by some members of Congress regarding environmental protection, worker rights and health and safety standards in Mexico. We are willing to provide the necessary information and strengthen the on going cooperation in thorse areas.

A meeting between SEDUE's and EPA's coordinators is scheduled to take place in mid-June. This meeting is to be followed by public hearings held by Secretary Chirinos and Administrator Reilly in July, specially along border towns. Between August and October, SEDUE and EPA will develop a comprehensive environmental package that will include periodic consultations on regulations, cooperation on a number of different areas (such as the transfer of environmental technology, technical assistance, and training for enforcement personnel), and a mechanism for the resolution of disagreements. By the end of the year, SEDUE and EPA will prepare a comprehensive assessment of the existing agreements, the elements of the master environmental package, and the anticipated effects of NAFTA.

With regard to labor issues, the competent agencies in Mexico and in the United States (STPS and DOL repectively) have been drafting a cooperation program to exchange information and address concerns of workers in both countries. All actions regarding labor will take place under the framework of the Mexico-U.S. Bilateral Commission. The program is expected to remain in force for a five-year period.

Any suggestion would be appreciated on the proper timing for their public announcement.

5. The Role of Rep. Richard Gephardt.

Some issues raised in his recent letter to President Bush may be responded mostly by providing more information on existing Mexican laws and policies, such as the status of workers rights in Mexico. Others may need some commitments that are consistent with, and build upon, actions already adopted: for instance, certification of American, Canadian and Mexican environmental inspection personnel by a trilateral institution, based on objetive criteria to be agreed. Still others might only be responded to by the Bush Administration as an internal matter, as it is the case for additional studies on the impact of free trade with Mexico and the set up of adjustment programs for workers and firms that are adversely affected by the agreement.

6. No Negotiations Until Fast-Track Authority is Extended.

The on going debate about the extension of fast-track authority has prompted some sectors to seek concessions from Mexico as a condition for their support in Congress. We believe this is altogether inappropiate. The real give and take should only start once a fast-track extension has been secured.

7. The Setting of a Deadline for Negotiations.

All three governments involved in the negotiation process share an interest in concluding such process in a limited time frame. Thus, we believe it would be convenient to commit ourselves to a publicly announced deadline for the negotiations, possibly farther away than December 31st of this year, but not beyond the first half of 1992. We may consider whether it is appropriate to hold any announcement about a deadline until after an extension is granted.

8. A Battle Worth to be Fought.

The creation of a North American Free Trade Area will change not only the way that we do business, but will bring many other significant changes in our political, economic, and social relations. Thus, we believe our quest for an FTA is a struggle between men and women of vision, who support us, and irresponsible protectionist interests that are opposed to us. However, our critics should know we are determined to succeed in this worthy battle.

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03c. Paper	Some Basic Facts (2 pp.)	n.d.	P5	

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SOME BASIC FACTS

1. The increase in U.S. exports to Mexico - 18 billion since 1985 - has generated 400,000 new jobs in the U.S.

2. Mexican "maquiladoras" use 8 billion dollars in U.S. made components, thereby generating close to 250,000 jobs.

3. There are almost 100,000 workers in the U.S. employed directly in distribution and logistics associated with the "maquiladoras".

4. Over one-third of all retail sales in the U.S. southern border region are made to Mexicans.

5. Mexico is the third largest market for U.S. agricultural products, and the second most important foreign supplier of these goods.

6. Peter Drucker has argued that one-third of the U.S. trade deficit that emerged in the early 1980's was a direct result of the collapse of exports to Latin America, and most notably to Mexico, which is by far the main trading partner of the U.S. in that region.

7. Mexico spends 15 cents out of every extra dollar of income on US goods (in contrast to Asia, which spends almost none).

8. The choice for the US is not so much to keep jobs or lose them to Mexico. Most of lost jobs over the last decade have gone to Asia.

9. Since 1988 environmental investments (public and private) have increased eight times in real terms.

10. In 1990, 5.7 million hectares of the country's most representative ecosystems (2.8% of the territory) were placed under protection through 44 national parks and 14 special biosphere reserves.

11. Mexico was the first country to ratify the Vienna Convention and Montreal Protocol on the protection of the ozone layer.

12. Mexico refuses to tolerate environmental damage to foster its international competitiveness. Last October, we committed 2,250 million dollars to improve Mexico City's environment.

13. The closing of the Azcapotzalco refinery in Mexico City clearly shows that even as basic an industry as oil will have to abide by strict environmental standards.

14. Mexico City residents have agreed to leave their private cars at home one day out of every week in order to fight pollution.

15. A program has been initiated to remove outmoded taxis and private buses from Mexico City streets.

16. Workers remunerations: Double or tiple pay for extra hours of labor compared to 1.5 times in the U.S. Double pay for work on weekends and holidays, while normal pay in the U.S. Workers have a right to 10% of corporate profits sharing: there is no equivalent under U.S. law.

17. Worker rights: More rights regarding maternity leave. Broader strike rights. Obligation for the Mexican judge to assist in completing and correcting worker claims.

18. Once all benefits are included, total payments received by workers in the maquiladoras are four times greater than the minimum wage.

19. The ratio between the cost of labor in the United States and Mexico has been decreasing from 9.30 in 1986 to 6.88 in 1989.

20. As Mexican wages increase, the incentive to migrate to the United States will tend to disappear.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03d. Paper	Gallup Poll Results Regarding a NAFTA (1 pp.)	n.d.	P5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Fast Track 1991 [5]

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 10/28/05

Date Closed:	1/4/2005	**OA/ID Number:**	29156-005
FOIA/SYS Case #:	1998-0004-F[2]	**Appeal Case #:**	
Re-review Case #:	2005-0426-S	**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
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CBr

GALLUP POLL RESULTS REGARDING A NORTH AMERICAN FREE TRADE AGREEMENT.

A recent American Gallup survey conducted in the US, Canada an Mexico shows that a strong majority of Americans (72%) and Mexicans (66%) think a proposed North American free trade zone would, on balance, benefit their own national economy. But Canadians appear far less confident about their ability to compete: 53% predict it would be "mostly bad for Canada". Only 15% of all Americans and only 20% of Mexicans share the view that a free trade zone would bring more harm that good to their country.

Interestingly, both the US and Mexico think the other would be the major beneficiary of such an agreement. It must be noted that, in the eyes of most Americans, the current threat to America's economic power comes primarily from the Pacific Rim (specially Japan), with an additional challenge likely to be posed by the European Community (in particular, Germany)

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Memo	From Dorrance Smith to John Sununu Re: Fast Track Regional and Specialty Media Plan (4 pp.)	4/11/91	~~P5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Fast Track 1991 [5]

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 10/28/05

Date Closed:	1/4/2005	**OA/ID Number:**	29156-005
FOIA/SYS Case #:	1998-0004-F[2]	**Appeal Case #:**	
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THE WHITE HOUSE

WASHINGTON

April 11, 1991

THE CHIEF of STAFF has seen

MEMORANDUM TO GOVERNOR SUNUNU

FROM: DORRANCE SMITH DS

SUBJECT: FAST TRACK REGIONAL AND SPECIALTY MEDIA PLAN

We are moving forward with an aggressive media outreach plan for Fast Track. Our initial goal is to make an impact through regional and specialty media as the Administration responds to the Rostenkowski/Bentsen and Gephardt letters (expected before May 1).

The events are designed to communicate two key messages: first, Fast Track is a top priority of the President's; second, Fast Track is going to be good for the U.S., i.e. increased exports means more jobs.

Targeted Media Markets

We plan to target this message to the top six markets in each of the key States of California, Florida and Texas. We are tailoring media plans for each state but will be hitting all three with the overarching positives of Fast Track for Business, Agriculture, Environment, Consumer and Hispanic constituencies.

I met with Fred McClure about target areas. When he provides me with more specific details we will fine tune the media plan.

Administration Surrogates

I have already met with the Agency Public Affairs Representatives for Mosbacher, Madigan, Martin, Hills and Reilly. We are working closely with them to integrate Fast Track into their speeches and other events. We are coordinating the scheduling of Editorial Board meetings, supplying and/or distributing speech inserts, fact sheets, and talking points. We are scheduling these surrogates on local tv and radio talk, call-in and news shows, and will teleconference them into key meetings of media associations. The following is a brief sampling of what we are planning.

HILLS:
-- Following her testimony before the Senate Judiciary Subcommittee on Fast Track, a media scrum for Capitol Hill and trade press.
-- On her trip to Charlotte, NC on April 19 for meetings with textile and other business leaders, she will hold an Editorial Board, appear on a local talk show and hold a regional press availability on Fast Track.
-- On May 25, following a conference on the North American Free Trade Agreement in Montreal, Hills will hold a press conference and appear on Canada's version of the McNeil-Lehrer Newshour.
-- On May 2 and 3, Hills will be in California for meetings and media on Fast Track. She will be holding Editorial Boards in San Jose, Sacremento and LA.
-- Over the next 2-3 weeks, she will be doing live two-way regional tv satellite interviews, radio talk shows and regional editorial calls to key congressional areas.

REILLY:
-- Op-Ed for the Wall Street Journal.
-- One-on-ones with Tom Brokaw, Leslie Gelb (NYT) and Tom Wicker for May 1.
-- Speeches to the American Society of Newspaper Editors on May 6, the Enterprise for the Americas on April 17, and the Kennedy School of Government on May 16.
-- Reilly will be available to local Boston media for interviews following his Kennedy School speech.
-- Reilly will do media availabilities on May 21 in Cincinnatti and May 23 in Detroit.

MADIGAN:
-- Meeting with the National Association of Farm Broadcasters (Hills also).
-- Speech insert for Monday, April 15 meeting with the National Association of Agriculture Journalists. Media availability with Madigan and senior Agriculture Department officials following the speech.
-- Speech insert following his April 30 speech to 50 State Presidents of the American Farm Bureau Federation (the largest Agriculture Trade Association in the Country). Media availability following the speech.

<u>MARTIN:</u>
-- Stake-out for Hill Press Corps following Martin's testimony on for the House Agriculture Committee on April 24. (Hills and Madigan are also testifying and will participate in the stake-out.)
-- Possible McNeil-Lehrer guest the evening of the 24.
-- Op-Ed for distribution.
-- Hold Editorial Board meetings and appear on local talk shows during upcoming trips (April 18-26) to Boston, Philadelphia, Chicago, Dallas and Kansas City.

<u>BOSKIN:</u>
-- I am talking to Boskin to make sure he mentions Fast Track in any and all of his upcoming media availabilities.

<u>VICE PRESIDENT:</u>
-- I talked with Bill Kristol in time to get an insert on Fast Track into the Vice President's speech to the American Society of Newspaper Editors in Boston this morning.

-- We are setting up two-way satellite interviews with the Vice President on April 22 into key markets.

We will be scheduling other surrogates for two-way satellite interviews, "beltway talk-shows", network morning shows and continue distribution of the President's Fast Track actuality. (We received 1288 calls for the President's first Fast Track actuality and 1132 on the second. The RNC also made both available to several hispanic media networks.)

We will be meeting with the Agency Public Affairs representatives again early next week. They will be reporting back with firm schedule commitments for their Cabinet Members to Fast Track media opportunities.

<u>Outside Surrogates</u>
I am working with Mari Maseng, the media representative for the ad-hoc group of business leaders supporting Fast Track to coordinate with her media strategy for Fast Track business leaders. We are looking into a joint Strauss/Brock Op-Ed for placement in the L.A. Times and are talking to other participants from the Fast Track Business Leaders meeting about writing Op-Eds for their local papers. For example, Robert Van Dine, CEO of St. Ives Laboratories of California, would have extensive placement in local California papers; Gabriel Aguirre, President of the Hispanic Chamber of Commerce would reach hispanic papers; and Doreen Brown, President of Consumers for World Trade would be placed in Consumer and Trade publications. We also have a Op-Ed lined up with John Sawhill, President of the Nature Conservancy.

<u>Presidential Activity</u>

I proposed three media events on Fast Track at Long Range yesterday. They are specifically designed to keep the President visible on the issue. The President will speak to Farm Broadcasters, reaching virtually every Farm community in the U.S. We hope to have him speak at the American Society of Business Writers and Editor's Meeting. Following up on your suggestion, the President will do a large (Rm. 450) media briefing for regional and specialty reporters. We are also drafting a presidential by-line for Roll-Call.

Following the release of the "action plan", we will implement an extensive media "second push" down the home stretch to the May 15 deadline. By then we should have results from our initial outreach and finalized plans for the deadline. I will get you a results report as we progress.

I look forward to hearing your thoughts on this plan and hope you will be able to fit regional and specialty media availabilities into your schedule. We would like to take advantage of your fluency in Spanish!

cc: Andy Card

THE WHITE HOUSE

WASHINGTON

April 4, 1991

Dear Editor:

I disagree with the March 26, 1991 editorial that you published by Senator Ernest Hollings. Senator Hollings failed to mention all of the benefits that accrue from free trade with our global trading partners, and the substantial involvement that the Congress enjoys in formulating trade agreements that are established under fast track procedures.

American individuals and business owners alike, understand how vital it is to have the simple authority to reach across the table and shake hands on a deal. In essence, fast track does just that--it gives the negotiators on both sides of the table greater assurance that their final agreement will be the one implemented. Without that assurance, no negotiator would reveal his or her bottom line.

Critics of granting an extension claim that the Congress is shut out of the negotiating process when fast track procedures are used and, thereby, cheat the American people of fair representation. Indeed, the contrary is true. Since the special relationship between the Congress and the Administration was forged nearly sixty years ago, the Congress remains an <u>essential</u> part of the process. To use the fast track for any agreement, the President must notify the Congress 90 days before the agreement is signed. For the next 60 days, the Congress has the authority to disallow fast track treatment giving representatives ample time to debate the worth of the agreement. Once the agreement is reached and fast track granted, the Congress and the Administration work in close consultation to formulate implementing legislation, involving full participation of all committees of jurisdiction.

The majority of the Members of Congress have recognized the value of fast track in negotiating trade agreements. In the 1988 Trade Act, the Congress expressly contemplated that an extension of fast track may be needed to carry out the trade objectives set forth in the law. Denying the use of fast track authority has universal impact--it applies to <u>all</u> prospective trade agreements. Therefore, the much ballyhooed U.S./Mexico free trade agreement will not be the only casualty of a Congressional assault--negotiations with the European Community via the Uruguay Round and trade with the capital-deficient democracies in South America under the Enterprise for the Americas Initiative, will also be jeopardized if fast track is voted down. In short, a vote against fast track is a vote against trade. And, in the world's increasingly global marketplace, can the U.S. afford that?

America is the world's largest trader. Exports have become a vital source of strength to the U.S. economy. In 1990, the nearly 8.5 percent of growth in U.S. exports accounted for 88 percent of our total economic growth. As a former Assistant United States Trade Representative[1], it is clear to me the importance of extending the fast track procedures. I saw first hand how fast track helped the United States reach a sound free trade agreement with Israel in 1985, and watched it work again in 1988 with Canada. Fast track authority is a powerful tool for our negotiators, and provides a steady assurance for our trading partners. It should be preserved, for the sake of America's success and future growth.

Sincerely,

David Demarest
Assistant to the President
for Communications

1. Mr. Demarest served four years in the Office of the United States Trade Representative and was named Assistant United States Trade Representative for Public, Intergovernmental, and Private Sector Affairs in January, 1985.

Letter to the Editor
The New York Times
229 West 43rd Street
New York, NY 10036

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05a. Memo	From Roger Porter to John Sununu Re: Fast Track (1 pp.)	4/3/91	~~P-5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Fast Track 1991 [5]

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 10/28/05

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FOIA/SYS Case #:	1998-0004-F[2]	**Appeal Case #:**	
Re-review Case #:	2005-0426-S	**Appeal Disposition:**	
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LW
4-8
Rome until
4-18

THE WHITE HOUSE

WASHINGTON

Done
4-15

AC/ER

April 3, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: ROGER B. PORTER RBP

SUBJECT: Fast-track

Conversations with USTR and a key lobbyist for the fast-track extension suggest that it might be very helpful for you to call Cardinal Bernard Law of Boston about the fast-track.

The United States Catholic Conference is considering whether to take a position on the President's request for an extension of the fast-track. Its position will be determined principally by the free trade agreement (FTA) negotiations with Mexico. While there is some sympathy in the Conference for union fears about the potential loss of U.S. jobs, there is also recognition of the vital importance of economic growth for the Mexican people and the potential role of free trade in alleviating poverty.

Cardinal Law grew up in Mexico and reportedly supports the FTA. His intervention could be very helpful in shaping the Conference's position on the fast-track. According to several reports, he greatly appreciated the opportunity to discuss the immigration bill with you last year.

A set of talking points is attached.

Attachment

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05b. List	Talking Points for Phone Call to Cardinal Bernard Law (2 pp.)	n.d.	~~P5~~	

Collection:

Record Group:	Bush Presidential Records
Office:	Chief of Staff, White House Office of
Series:	Sununu, John, Files
Subseries:	Issues Files
WHORM Cat.:	
File Location:	Fast Track 1991 [5]

Open on Expiration of PRA
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By JF (NLGB) on 10/28/05

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TALKING POINTS
PHONE CALL TO CARDINAL BERNARD LAW

- o I was hoping to touch base with you regarding the U.S.-Mexico free trade agreement.

- o I understand that the United States Catholic Conference is considering taking a position on free trade with Mexico. I would greatly appreciate your thoughts.

- o While the debate over the free trade initiative has centered on trade, labor, security, and environmental policy, there is also an important moral dimension.

  - -- One consideration for the church should be whether rich countries have a responsibility to help poor countries grow.

  - -- Under economic theory, free trade is a win-win situation for both countries. In these circumstances, it seems wrong for the United States to say to Mexico that we are unwilling to help promote economic growth and that your people will be left in poverty.

- o While concerns have been expressed about U.S. jobs and the environment, I believe those concerns are unwarranted.

  - -- Our studies show that any U.S. job losses will be minimal. There are programs in place to aid and train displaced workers for new jobs.

  - -- Any tariff cuts will be phased in gradually and safeguard provisions will be part of the agreement in case there are import surges.

- o The environmentalists are wrong to oppose the agreement.

  - -- Turning down the free trade agreement would be an environmental disaster that would set back environmental progress in Mexico by decades.

  - -- The Salinas Administration wants to do the right thing on the environment. It is under a lot of pressure to clean up Mexico City.

  - -- But it is hard to make the environment a priority when children are starving and there are no jobs.

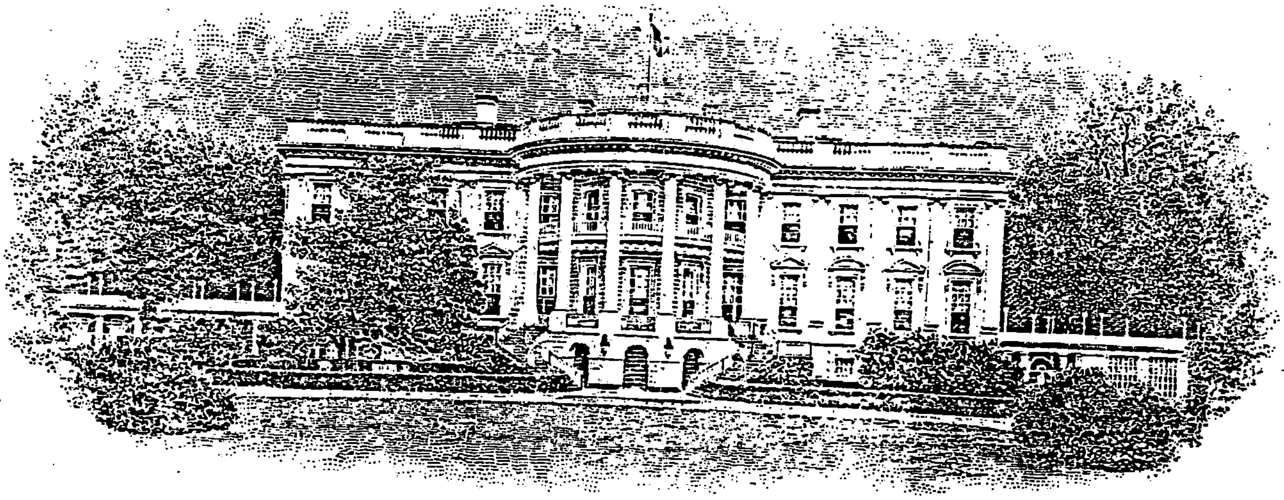
- -- Free trade will promote economic growth and allow the Mexican Government to devote more resources to environmental protection.

o While some have argued that free trade will only benefit the Mexican upper class, President Salinas appears serious about promoting broad-based economic growth and fighting corruption.

- -- Mexico's most pressing need is for jobs. The population is growing rapidly. The economy stagnated during the 1980s, leading to severe hardship for the people.

- -- The goal of the Mexican Government is to attract new investment and industries and create jobs.

Executive Office of the President
Office of Legislative Affairs



fast track

FACSIMILE TRANSMITTAL SHEET

Number of Pages including cover 7

Date: 4 / 5 / 91

To: John H. Sununu, Chief of Staff

Fax Number:

Office Number:

Comments: Here are the transcripts of the Hispanic fast track commercials you requested.

From: Nicholas E. Calio

Fax Number:

Office Number:

SOSA, BROMLEY, AGUILAR & ASSOCIATES

CLIENT: Hispanic Alliance For Free Trade
TITLE: Special Bond
MEDIUM TV English/:60
As Recorded
DATE: April 3, 1991

V.O. Annor: The United States and Mexico have a special bond. Our culture. Our heritage. Our families. But if we're to prosper, we *must* come together economically on both sides of the border. This can only happen with more trade between the United States and Mexico.

Super: Support Free Trade. Call 1-800-325-6000.

V.O. Annor. Make it happen by calling 1-800-325-6000 right now. A message formyou will be hand delivered to your Congressman in Washington. It will tell him that you want President Bush to have what's called "Fast Track Authority" for trade negotiations with President Salinas.

Send your message now! A charge of $7.95 will be made to your phone bill. A small price to pay for a major investment in your future.

Do it now! Make your voice heard in Washington. Support President Bush. Support U.S., Mexico Free Trade. For more and better jobs.

Super: A public service message from the Hispanic Alliance for Free Trade.

SOSA, BROMLEY, AGUILAR & ASSOCIATES

CLIENT: Hispanic Alliance For Free Trade
TITLE: Cultures
MEDIUM TV English/:60
As Recorded
DATE: April 3, 1991

V.O. Anncr: The United States and Mexico share cultures ... heritage ... families.

But to prosper together,
we must share economically.
Build healthier economies,
create more and better jobs.

This means more trade between the U.S. and Mexico. Fair trade. Free trade.

Super: Support Free Trade.
Call 1-800-325-6000

V.O. Anncr: If you invest $7.95 and call 1-800-325-6000, you can influence Congress and help make it happen.

Support U.S., Mexico Free Trade.
Make your call now.

Super: A public service message from the Hispanic Alliance for Free Trade.

SOSA, BROMLEY, AGUILAR & ASSOCIATES

CLIENT:	Hispanic Alliance For Free Trade
TITLE:	Better Jobs
MEDIUM	TV English/:30 **As Recorded**
DATE:	April 3, 1991

V.O. Anncr: President Salinas wants his people to stay in Mexico. With better jobs, they *will*.

Super: Support Free Trade.

V.O. Anncr: President Bush wants our people to stay employed. With better jobs, *we* will.

Super: Support Free Trade.

V.O. Anncr: If you invest $7.95 and call 1-800-325-6000, you can influence Congress and make it happen.

Super: Lobby Congress.
Call 1-800-325-6000.

V.O. Anncr. If you *don't* call, Free Trade may *not* happen.

Super: A public service message from the Hispanic Alliance for Free Trade.

SOSA, BROMLEY, AGUILAR & ASSOCIATES

CLIENT: Hispanic Alliance For Free Trade
TITLE: Lobby
MEDIUM TV English/:30
As Recorded
DATE: April 3, 1991

Super: Call 1-800-325-6000

V.O. Annor: If you call this number,
it will cost you $7.95.

Not bad for an opportunity
to lobby Congress.
in support of U.S., Mexico
Free Trade.

New trade that will open a
vast new market to U.S.
manufacturers, creating
more jobs, and better jobs
in America.

You'd like that, wouldn't you?
President Bush would like it too.

Make the call now.

Super: A public service message from the Hispanic Alliance for Free Trade.

SOSA, BROMLEY, AGUILAR & ASSOCIATES

CLIENT: Hispanic Alliance For Free Trade
TITLE: Heritage
MEDIUM TV Spanish/:60
As Recorded (English Transliteration)
DATE: April 3, 1991

V.O. Anncr: Here we are and our people and friends in Mexico, united by so many things.
Our language. Our culture. Our heritage.
But in order to progress, we need more ...
the unity of businesses. Free trade that stimulates both economies creating new jobs here and abroad.

Super: Support Free Trade.
Call 1-900-454-2626.

V.O. Anncr: You can make it a reality by calling 1-900-454-2626.
A message will be delivered on your behalf to your Congressman in Washington, asking him to authorize President Bush to start negotiations over the union of jobs with President Salinas.
We are going to show the world that we can influence the government when it comes to our progress.
A charge of $3.95 will appear on your telephone bill. A good investment in your future.
Support Free Trade. Send your message today. Make the dream a reality.

Super: A message from The Hispanic Alliance for Free Trade.

SOSA, BROMLEY, AGUILAR & ASSOCIATES

CLIENT: Hispanic Alliance For Free Trade
TITLE: Dream Come True
MEDIUM TV Spanish/:30
As Recorded (English Transliteration)
DATE: April 3, 1991

V.O. Anncr:	In the United States and Mexico we share cultures ... heritage ... family.
	But in order to progress we also need to share business, to create more and better jobs.
Super:	Support Free Trade. Call 1-900-454-2626.
V.O. Anncr:	We need Free Trade. Call 1-900-454-2626.
	Invest $3.95 and send your message to Congress.
	Support Free Trade. Make a dream a reality.
Super:	A message from The Hispanic Alliance For Free Trade.

THE WHITE HOUSE

WASHINGTON

April 3, 1991

THE CHIEF of STAFF
has seen

MEMORANDUM FOR THE PRESIDENT

FROM: EDE HOLIDAY

SUBJECT: Fast Track Status Report

Attached is a status report from Ambassador Hills on the Administration's effort to obtain Congressional approval extending fast track authority.

Attachment

cc: Governor Sununu

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06. Memo	From Carla Hills to POTUS Re: Fast Track Status Report (2 copies) (4 pp.)	4/1/91	~~P-5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Fast Track 1991 [5]

Open on Expiration of PRA
(Document Follows)
By GP (NLGB) on 4/21/08

Date Closed:	1/4/2005	**OA/ID Number:**	29156-005
FOIA/SYS Case #:	1998-0004-F[2]	**Appeal Case #:**	
Re-review Case #:	2005-0426-S	**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20506

April 1, 1991

MEMORANDUM FOR THE PRESIDENT

FROM: Carla A. Hills

SUBJECT: Fast Track Status Report

- We are making progress in the <u>Senate</u> on fast track, although continued pressure will be required. At present:

  -- We are getting strong backing from most of the Finance Committee, with Senators Bentsen, Packwood, and others now working hard on their colleagues off the Committee.

  -- A hard core of opposition remains, especially among Members with textile and protected agriculture interests (such as dairy, sugar, and peanuts), but their numbers do not appear to be growing.

- The <u>House</u> remains a larger problem, with most Members still undecided and feeling intense pressure from organized labor's effective lobbying against a Mexico negotiation.

  -- Your private meeting March 19 with Chairman Rostenkowski helped a great deal, as did a subsequent session he had with 150 private sector representatives. The Chairman now appears inclined to be active in support of fast track and, at least for now, has withdrawn from the popular notion of permitting a separate vote on fast track for Mexico negotiations.

- Our decision last week to pursue an extraordinary challenge in the <u>pork case</u> with Canada has been warmly welcomed on the Hill. Several Members whom I called to advise of our decision said they would help on the fast track vote.

- <u>Administration efforts</u> have accelerated.

  -- During the two weeks before the congressional recess, in addition to four hearings, several group meetings, and many phone calls, I met individually with 27 Members.

  -- Bob Mosbacher and his Commerce team, Bob Zoellick at State, and several others in the Administration have also been active. I am suggesting that John Sununu drop a note to several Cabinet officers, particularly those who have served in Congress, to ask that they contact specific Members of Congress, with reports back to Fred McClure.

-- As a vote approaches in the next few weeks, your personal involvement with Members will be crucial.

o <u>Private sector efforts</u> have also accelerated dramatically.

-- Dozens of major business associations and companies have organized themselves into one group, called the Coalition for Trade Expansion, to coordinate fast track efforts. CEOs from the group have made more than 100 calls on Members in Washington; corporate and association staffs have probably made well over a thousand additional contacts with congressional staff and Members.

-- This week, individual companies and the newly formed Hispanic Alliance for Free Trade have planned hundreds of grass roots contacts with Members who are home in their districts during the recess.

o Last week, Majority Leader <u>Gephardt</u> sent you a 10-page <u>letter</u>, seeking a wide range of assurances and commitments. In much greater detail than an earlier letter from Chairmen Bentsen and Rostenkowski, the Gephardt letter seeks action plans from the Administration on issues both directly and remotely related to Mexico free trade negotiations, such as wage disparities, rules of origin, workers rights, transition measures including worker adjustment programs, and the environment.

o We plan to have <u>our response to these letters</u> ready before the May 1 deadline set by Bentsen and Rostenkowski. Our response will likely be key in determining the votes of a large number of undecided Democrats who seem willing to support fast track if given sufficient cover with labor and environmental groups.

-- Environment experts from State, EPA, and elsewhere have been working with Mexican counterparts on a work program that we hope will assuage many of the concerns of environmentalists.

-- Similarly, the Labor Department is working with its Mexican counterparts on a cooperative consultative plan. Although it will be impossible to satisfy organized labor, I expect that a key issue for labor's many supporters in Congress will be the extent of the Administration's commitment to providing adjustment assistance to workers who may be dislocated by freer trade with Mexico.

The fight remains an uphill struggle, particularly since a simple majority in either House can defeat us. With an all-out effort, I continue to believe this is a fight we can win.

cc: Secretary Brady
✓Governor Sununu
Ede Holiday
Fred McClure

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Executive Office of the President
Washington, D.C. 20506

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cc: Secretary Brady
Governor Sununu
Ede Holiday
Fred McClure

THE WHITE HOUSE

WASHINGTON

91 APR -9 PM 2:41

April 9, 1991

THE CHIEF of STAFF has seen

MEMORANDUM FOR THE PRESIDENT

FROM: FREDERICK D. McCLURE

SUBJECT: Response to "Fast Track" Letters from Rostenkowski/Bentsen and Gephardt

As you know, you have received two letters regarding issues associated with extension of fast track authority. One was a joint letter from Representative Dan Rostenkowski and Senator Lloyd Bentsen. The other was from House Majority Leader Dick Gephardt.

The U.S. Trade Representative's office is drafting a response to both letters. These drafts will be ready for internal circulation by the end of the week. After a final draft is agreed upon, responses to both letters will be sent at the same time.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07. Letter	From Dick Gephardt to POTUS Re: Fast Track (1 pp.)	3/27/91	~~P5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
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THE PRESIDENT HAS SEEN

RICHARD A. GEPHARDT
MISSOURI
MAJORITY LEADER

H-148 U.S. CAPITOL
202-225-0100

Congress of the United States
House of Representatives
Office of the Majority Leader
Washington, DC 20515-6502

March 27, 1991

P/
to file —
This is a comprehensive
letter. (CYA in many ways
His support is important
P. Be sure this has
been answered
GB/
4-5-91

President George Bush
The White House
Washington, D.C.

Dear Mr. President:

I am writing to respond to your letter seeking my support for renewal of authority to speed Congressional approval of future trade agreements, the so-called fast track procedures. Congressman Rostenkowski and Senator Bentsen have already provided you with the benefit of their expertise on this issue. But, as Majority Leader in the House, I am designated under the law to introduce the implementing legislation for the GATT Uruguay Round and a possible U.S.-Mexico agreement. Consequently, I thought it might be useful to share with you some of my own views on this important issue.

I am prepared to lend my full support to a North American Free Trade Zone if the agreement fights for American jobs and exports, preserves the world's environment, and defends the rights of Mexican workers. As one who cares deeply about the effect of trade policies on working Americans, my concern is that our trade negotiators keep uppermost in their minds the impact of this Agreement on American jobs, American companies and American exports.

Therefore, my support for the Administration's proposed North American Free Trade Area is contingent upon the inclusion of assurances that American jobs will not be lost in droves.

Like you, I want the Mexican economy to flourish and grow. Relying on low wages and unsafe working conditions as comparative advantages to lure away high-paying American jobs will not save the Mexican economy -- but it will further weaken the American economy. In order for Mexico to prosper, America must prosper. So for a free trade agreement to be a meaningful benefit to both nations, it must contain provisions that will stem any hemorrhage of American jobs across the border.

For that reason I request that you not limit the talks to what used to be traditionally known as "trade issues" -- tariffs, trade-related investment restrictions, dispute resolution and the like -- but rather that we address North American Free Trade systematically.

To do so will require discussing issues like transition measures, wage disparity, environmental protection and worker rights. Neither Mexico nor Canada nor America is benefitted by a system that benignly looks on massive air pollution, poisonous pesticides and child labor as "comparative advantages." And I cannot imagine that Congress would approve an agreement that did.

The grant of authority to proceed with negotiations under the fast track procedure is an extremely important one for Congress to make. I understand the increased complexity and difficulty of negotiating an agreement with a trading partner or a number of trading partners without the ability to proceed under the fast track procedure. At the same time, I am unwilling to support an extension of fast track without assurances that Congress and the Administration are true partners in these negotiations rather than adversaries.

Thus, I am writing to outline what I believe we should be seeking to achieve both in the current GATT Uruguay Round as well as the possibly upcoming U.S.-Mexico-Canada North American Free Trade Agreement (NAFTA) negotiations. Negotiated properly, these agreements will enhance economic opportunity and growth in this country and around the world. But negotiated poorly, they could cause U.S. workers and exporters to suffer grievously in economic terms.

I am hopeful that you will respond specifically to the issues outlined in my letter so that we can work together towards a GATT and North American Free Trade Agreement.

GATT Uruguay Round

I believe, as you do, that the GATT Uruguay Round could provide the U.S. and the world with a vastly improved international trading system. The possibility of achieving more uniform rules of trade in each of the negotiating areas could provide enormous benefits to U.S. workers, farmers and businesses.

The 1988 Omnibus Trade Act outlined 16 negotiating objectives for the Uruguay Round [19 U.S.C. 2901] and requires the Administration to report on your progress in achieving them. Despite the assurances in reports that your Administration has forwarded to Congress, I cannot now determine what progress has been made on many of these objectives.

And, based on press reports, discussions with Administration officials and representatives of our trading partners, I cannot now define what specific actions your Administration is contemplating in the GATT Uruguay Round to fulfill the Congressional objectives.

Indeed, in several areas, progress within the GATT Uruguay Round has been less than anticipated by Congress when it stated its objectives in the 1988 Act. For example, little or no progress has been made as part of the GATT Uruguay Round in expanding worker rights or in gaining access to markets for our high-technology products.

We must judge a GATT Agreement as a whole. At the same time, we must be unwilling to settle for an Agreement that does not enhance the international competitiveness of our economy, ranging from agriculture to services to manufacturing. We must **reject** any efforts to diminish the effectiveness of those U.S. trade laws that are already on the books.

Upon its completion, we must look at how an Agreement is to be implemented and enforced based on the possibility of new dispute resolution provisions. In the past, there has been a dramatic difference between the way that Congress and the Administration view our trade laws: The Administration views the U.S. as a defendant while the Congress views the U.S. as a plaintiff.

As a result of these different views, we should be wary of a strong dispute resolution mechanism if the underlying agreements in each of the 14 negotiating areas aren't completely acceptable. If a strong dispute resolution mechanism is combined with weak agreements, a lower standard is locked-in which, in essence, thereby diminishes our ability to protect the rights of American workers, farmers and businesses.

Finally, I must emphasize that the U.S. should not trade away any provision of our trade law such as dumping/countervail, Section 301 or the other vital tools that Congress has provided to work for a more level playing field.

North American Free Trade Agreement

I believe a negotiation with Mexico and Canada that will result in a North American Free Trade Agreement could be in our country's best interests. At the same time, I am deeply concerned about what the possible effects of an agreement could be.

The economic studies that have been published on a possible agreement not only are tentative in their conclusions but are based on assumptions that may have no connection with reality. It is disturbing that the Administration has yet to produce an economic impact analysis and, it appears from a number of discussions, has no intention of producing an impact analysis.

An official analysis by the Administration is really the only way we can truly judge what the effects of an agreement might be. Unless a study is based on the assumptions of those who are in fact negotiating the Agreement, the study will not assist us in our debates.

One of the most comprehensive studies done to date was published recently by the International Trade Commission. In its study, the ITC indicated:

> "(T)he Commission analysis suggests that an FTA with Mexico will benefit the U.S. economy overall by expanding trade opportunities, lowering prices, increasing competition, and improving the ability of U.S. firms to exploit economies of scale. <u>Since these gains are likely to outweigh the costs, the U.S. economy will probably gain on net.</u>"

This is not exactly a ringing endorsement of the idea of proceeding with an agreement. I truly want to assist Mexico and the Mexican people in terms of expanding economic growth and opportunity. But I refuse to accept the notion that the American worker should shoulder the burden of reaching an agreement. For this reason, I respectfully request that you direct the appropriate officials to provide me with the economic analysis on which you based your decision to proceed with the negotiations of a NAFTA. Congress and the American people have a right to know what is at stake before entering into negotiations under the limitations of the fast track.

I understand that your present intention is to proceed with a negotiation with as limited an agenda as possible. But, we must not exclude those issues which will help determine the competitive nature of our future relations or that will help to improve the quality of life in our countries.

Those issues that appear to be on the agenda are tariffs, intellectual property, trade-related investment restrictions and dispute resolution. While we must have the best possible provisions in a final agreement in each of these areas, this list is simply not sufficiently comprehensive to address the issues that are most important to our bilateral economic future.

Let me also share with you my thoughts on which issues should be addressed as part of a negotiation:

Escape Clause:

The prospect for potential job loss exists in a number of important industrial sectors. Because there has been no officially released Administration study of the impact of a proposed NAFTA, it is difficult to project what impact on jobs and our industrial base there will be.

Accordingly, it is important that a comprehensive escape clause provision be included as part of the negotiating framework that can act as a stop-gap measure to stem the loss of jobs and business opportunities if there is a hemorrhaging in any one sector. This provision should have an effective trigger that will allow us to ameliorate any negative impact on a sector and reassess what course of action to take.

I cannot stress strongly enough how important this issue is. We must be prepared to continuously examine and reexamine the progress of a NAFTA to ensure that the interests of American farmers and workers are protected.

Rules of Origin:

I assume that the discussion of rules of origin would be included as part of the NAFTA negotiations. I want to comment specifically, however, on how important I believe a strict standard for any rule of origin proposal is to a successful agreement.

Our nation faces an historic trade deficit. Industry after industry has faced the onslaught of fierce foreign competition that has forced many firms to close or request government help in opening markets and fighting unfair competition at home.

As we enter into negotiations on a NAFTA we must not allow Mexico to become an export platform for the products of third countries to flood our markets. Development of business opportunities by third countries that is designed to aid the Mexican economy rather than fill the coffers of the foreign parent company should be our goal.

Accordingly, I believe that we must have a very strict rule of origin standard regarding production in Mexico.

Transition:

Every study that has been done on the effects of a NAFTA recognizes that there will be dislocations in our labor market resulting from an agreement. I do not believe that the American worker should have to shoulder the cost of providing economic growth and opportunity to Mexico and its people.

Even in the absence of economic analysis, it is implausible that transition relief will not be needed by workers in industries harmed by the NAFTA. Accordingly, I believe that you must make a commitment to providing help to those who might be disadvantaged as a result of an agreement. This includes not only a commitment to expanded unemployment insurance for these individuals, but also appropriate training and retraining programs.

Additionally, transition relief measures should be examined that will allow companies adversely affected by a NAFTA to receive government help in finding new markets for their products and converting to new lines of business.

This must be a commitment not only to providing the governmental support mechanisms that are necessary, but also to funding these programs as well. American workers and American firms deserve no less.

Additionally, we must recognize that the US-Canada FTA will be phased in over a ten-year period. It is possible that we may need to allow for as long, if not longer, a phase in period in the case of Mexico. We may also want to examine the possibility of phasing in the provisions of a final agreement based on increasing standards of living in Mexico. This will provide the Mexican government with the incentives to continue with their liberalization programs as well as providing U.S. workers with a greater protection against a competitive policy based on wage differentials alone. At the same time, if we see substantial benefits, as in the US-Canada FTA, we may wish to accelerate the phase in process.

Wage Disparity:

One of the principal issues that is raised by the NAFTA is the question of how we address the substantial wage and standard of living disparity that exists between our two countries. Our goal must be to raise the wages and standard of living of Mexicans, not lower our own.

I am interested as to what steps might be taken to address this issue -- perhaps the most important issue involved in these negotiations.

Environment:

Without a provision on environmental controls, this agreement is likely to increase pollutants in and from Mexico and drain jobs from the U.S. needlessly.

Last year, with your help, Congress passed an historic Clean Air Act. In this legislation we committed ourselves to increasing environmental quality in this country while striking a balance between environmental quality and economic growth. Similar legislative action has occurred in the areas of water quality and pesticide residues, and in many other important areas.

In discussions with members of your Administration as well as Mexican authorities, I have noted a reluctance on the part of these officials to address important environmental concerns as part of the scope of these negotiations. I believe that these concerns must be part of the negotiating agenda. The more than 1700 businesses currently operating in the maquiladora program are threatening both the environment as well as the health of countless people on both sides of the border. Additionally, studies have shown that emissions from industries in other parts of Mexico have affected areas far beyond our common border.

The Clean Air Act and other U.S. environmental laws do add to the cost of doing business. In addition to the health and quality of life impact of Mexico's more lax environmental standards and enforcement, I am concerned that many American companies may relocate their operations because of this "comparative advantage." We must not allow this to happen. It would not be in the United States' or Mexico's best interest.

Indeed, it is tough for U.S. companies to compete against firms that operate under more lax environmental enforcement schemes. This laxity can, in fact, operate as a subsidy.

A number of Members of Congress have requested that an environmental assessment of a NAFTA be conducted. I would also ask that environmental issues be included on the negotiating agenda.

As part of this, I would hope that the question of pesticide use by Mexican farmers be given appropriate attention. While our farmers can compete against the best any country has to offer, they can not and should not have to compete against farmers who use pesticides that fail to meet U.S. standards. While we certainly can reduce the risks to our citizens through inspection of all agricultural products crossing our border, a better approach would be to agree to eliminate the use of these pesticides and harmful chemicals, thereby protecting the health and safety of our consumers and allowing for a freer flow of goods. This will help protect the health of the Mexican people as well.

Worker Rights:

A final agreement must include provisions that protect the fundamental rights of workers. Parties to the NAFTA must recognize that all countries have a common interest in respecting the fundamental rights of workers, in the achievement and maintenance of fair labor standards, and in the improvement of wages and working conditions. Among the provisions that a NAFTA should include are:

* Respect for freedom of association.
* Respect for the right to organize and bargain collectively, including on a regional basis across national boundaries.
* Prohibition of the use of any form of forced or compulsory labor.
* Establishment of a minimum age for the employment of children.
* Acceptable conditions with respect to wages and hours of work.

We must recognize the role that the NAFTA can play in promoting worker rights. We must refuse to accept an agreement that fails to provide real economic opportunity to the Mexican people. We must address both the substantive law and the procedural safeguards in this important area.

As part of this negotiation, we must also include the provision of proper health and safety standards for workers. We should seek to establish appropriate health and safety provisions that will prohibit accelerated development from occurring at the cost of worker's health and safety.

Labor Mobility:

I believe that the issue of labor mobility must be carefully considered. As we look to the future, we must understand the pressure that may be exerted on the wages of lower-skilled workers in this country if the issue of labor mobility is not critically addressed.

More specifically, I am very concerned about the prospect of substantial numbers of Mexican workers entering the U.S. labor market, even if only on a temporary basis. As you know, the U.S.-Canada FTA established procedures for temporary entry of Canadian citizen business persons into the United States and to facilitate temporary entry on a reciprocal basis between the U.S. and Canada.

Since the regulations were first issued in this area, there has been a considerable liberalization of the regulations to allow for new classes of entrants under the agreement. While the impact has been marginal, the possible impact under a NAFTA is much greater, if similar rules are applied to Mexico.

Indeed, as part of Mexico's submission in the GATT Uruguay Round, the government stated "The expansion of the service exports of developing countries and their increased participation in world trade in services depends on the liberalization of cross border movements of personnel covering unskilled, semi-skilled, and skilled labor, and that effective access to markets for their service exports can mainly be realized through this mode of delivery."

Human Rights:

The Salinas government has begun to move against police and government officials accused of human rights violations. We must commend the Salinas government. But, we must also use the NAFTA negotiations as a means of support for the Salinas government to make further efforts to curb human rights abuses.

Conclusion

In conclusion, I believe strongly in the goal of assisting Mexico and its people in terms of economic development and opportunity. But, we must not be willing to sacrifice the jobs and livelihood of American workers.

I believe an agreement can be reached that is in all of our best interests. We must not rush -- the stakes are too high. But, we must not be reluctant to accept the challenges.

If the areas I have outlined above are among the issues included in North American Free Trade Agreement negotiations, I believe that we should proceed. We must, however, be flexible and recognize that issues such as governmental ownership, debt relief, transportation regulation, exchange rates, subsidies and many others may arise that need to be addressed as well.

Ambassador Hills has raised the question of whether it would be acceptable for certain issues to be raised on a parallel track to the "core" negotiations. This depends on the commitment and intentions of your Administration and the Mexican Government. If the intention is simply to allow these negotiations to occur on a parallel track and allow them to die on the vine, that is unacceptable. If there is a true commitment to address these issues, then I am open to discussion as to the format under which the negotiations should occur. While certain issues might be addressed on a parallel track, Congress must be presented with a single piece of implementing legislation at the end of the process incorporating final agreements in all areas. We will also be looking for assurances as to what commitments the Mexican government will undertake. When Congress votes at the end of this process, it must see tangible results.

Roughly two-thirds of all Mexican exports are purchased in the United States. Conversely, Mexico purchases only about six percent of our exported products. We must understand the power of this fact as we enter into negotiations. We both have a great deal to gain, but we must not rush blindly towards an agreement.

Congress must be a partner in these negotiations. If we are able to agree on the scope of the negotiations, that will only start, not end the process. I look forward to working with you and members of your Administration throughout this period and beyond with the goal of reaching a final agreement.

Yours very truly,

Richard A. Gephardt

Richard A. Gephardt

RAG:mrw

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(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
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By JP (NLGB) on 10/28/05

Date Closed:	1/4/2005	**OA/ID Number:**	29156-005
FOIA/SYS Case #:	1998-0004-F[2]	**Appeal Case #:**	
Re-review Case #:	2005-0426-S	**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

faxed to JHS 4-4

THE WHITE HOUSE

WASHINGTON

AC/ER

April 4, 1991

THE CHIEF of STAFF has seen and discussed with Calio 4-9

MEMORANDUM TO JOHN H. SUNUNU

THROUGH: FREDERICK D. McCLURE Fm

FROM: NICHOLAS E. CALIO NEC

SUBJECT: Fast Track Activities

This memorandum suggests how we should proceed on the Fast Track legislation over the next few weeks. It does not cover all on-going Administration-wide activity.

* When Congress returns on April 8 we will focus on cleaning up our Republican and Democratic Whip lists by contacting members with whom we have not yet spoken and those who are undecided. We will also contact on a random basis members we currently have listed as "Yes", "Lean Yes", "No" and "Lean No" to check for any sign of movement over the Congressional recess. (FYI, our office alone has spoken to virtually every Republican member of Congress, most of the Senate Democrats and over 100 of the House Democrats).

* On Wednesday, April 9 at 9:00 a.m., an ad hoc, bipartisan whip group meeting has been called at our request (through Rostenkowski) by Trade Subcommittee Chairman Sam Gibbons (D-Fla). This group will be comprised of members who are actively committed to extension of the President's fast track authority. They will work independently of the regular whip organization. Only two Democrats, Bill Richardson (NM) and Tim Penny (MN), attended the first meeting Gibbons called. We are working with Richardson to recruit 5-7 more Democrats to help us whip their Democrat colleagues. Senator Bentsen is doing the same thing in the Senate.

* Later in the afternoon of the 9th we will meet with the business-industry coalition which is actively lobbying this issue. We have met with them previously and will continue to share information with them on a regular basis. We should finish re-checking and refining the

whip lists by the middle of the following week. By that time, we should have decided on the substance of the President's response to the letters he received from Chairmen Rostenkowski and Bentsen and Majority Leader Gephardt calling on the Administration to set forth an action plan for dealing with certain U.S.-Mexico issues.

Once we have firmed the lists and have relatively settled on our issue action plan, we should consider the following:

* a bipartisan Leadership meeting on Fast Track in the Cabinet Room with the President. The attendees should be identical to the group (Big Five Leadership and Chairmen and Ranking members of the key Committees) we had here to meet with the President on February 26, 1991;

* a meeting between the President, key members of the regular Republican Whip organization, and members of the ad hoc bipartisan Whip Group;

* one or more relatively small breakfasts or coffees;

* small group meetings in the Cabinet Room and/or the Oval Office with members who are either undecided or otherwise potentially "gettable." We can choose participants in these meetings in one of two ways: we can bring in members who have similar concerns about particular issues -- environment or worker displacement, for instance -- or we can bring in groups of members without regard to their particular concerns. Obviously, we will seed these groups with supporters;

* reinforcing the message from these meetings and OLA contacts with targeted individual contacts to be made by you, other Senior Administration officials, and Cabinet members who know particular members well; and

* visible follow-up meetings for the President with private sector supporters.

Again, this is not intended to be a comprehensive, Administration wide list of activities. Moreover, the number and timing of these activities will be subject to how the votes are shaking out.

faxed to JHS 4-4

THE WHITE HOUSE

WASHINGTON

AC/ER

April 4, 1991

MEMORANDUM TO JOHN H. SUNUNU

THROUGH: FREDERICK D. McCLURE Fm

FROM: NICHOLAS E. CALIO NEC

SUBJECT: White House/Administration Fast Track Activities

THE CHIEF of STAFF has seen and discussed w/ Calio 4-9

A synopsis of public White House/Administration activities on the fast track legislation is set forth below.

1) In January, USTR representatives began one-on-one meetings with all potentially "peelable" co-sponsors of the resolution offered by Senator Hollings in 1990 which would have denied fast track authority for the GATT round. There were 37 co-sponsors in 1990. When the resolution was re-introduced this year, Hollings could only get 15 cosponsors.

2) In February, Ambassador Hills began a still on-going series of meetings with members of the House and Senate, individually and in groups. For example, in addition to substantial individual contacts, she has met with all the Ways and Means Democrats and all Ways and Means Republicans. She did the same with the Finance Committee. She has also met with a number of other groups like the Senate Policy Committee, the Textile Caucus, etc.

3) The Office of Legislative Affairs began whipping the Fast Track vote in both the House and the Senate the first week of February. To date, virtually every Republican in Congress, most of the Senate Democrats, and over 100 House Democrats have been personally contacted once <u>or more</u> by OLA staff. In addition, USTR and the other Departments involved have duplicated a number of these member contacts and have undertaken staff contacts as well.

4) On February 26, the President met in the Cabinet Room with relevant Cabinet members, the Big Five Congressional Leadership, and the Chairmen and Ranking members of the key Committees on Fast Track for one hour. The members of Congress talked to the press afterwards at the stakeout area.

5) On February 27, the President promoted the North Free Trade Agreement at a White House meeting with Hispanic Media Representatives.

6) On March 5, the President, Ambassador Hills, Secretary Mosbacher, CEA Chairman Boskin and Fred McClure addressed a meeting of 150-200 business-industry representatives on the importance of extending fast track. The press was there.

7) On March 6, Ambassador Hills addressed the House Republican Conference.

8) On March 12, speaking at Agriculture Secretary Madigan's swearing-in, the President raised the fast track issue and its importance to agriculture and the economy in general. The press was present.

9) On March 19, the President, Ambassador Hills, Secretary Mosbacher and CEA Chairman Boskin addressed some 200 Hispanic business leaders who head up the Hispanic Alliance for Free Trade in the East Room of the White House. Again, the press was present.

The list above barely scratches the surface of all we have been doing to move the issue forward. These are only the most public events.

In addition, we have the following upcoming events:

* April 5, 1991; Newport Beach California
  POTUS meeting with Hispanic business leaders

* April 8, 1991; Houston, Texas
  POTUS breakfast with Hispanic Alliance for Free Trade of Houston

* April 9, 1991; The White House
  POTUS meeting with coalition/business leaders promoting "fast track." (Co-chairs Brock and Strauss)

* April 9, 1991; The Department of Commerce
  POTUS address to the American Business Conference promoting "fast track" and NAFTA.

RICHARD A. GEPHARDT
MISSOURI
MAJORITY LEADER

H-148 U.S. CAPITOL
202-225-0100

Congress of the United States
House of Representatives
Office of the Majority Leader
Washington, DC 20515-6502

March 27, 1991

President George Bush
The White House
Washington, D.C.

Dear Mr. President:

I am writing to respond to your letter seeking my support for renewal of authority to speed Congressional approval of future trade agreements, the so-called fast track procedures. Congressman Rostenkowski and Senator Bentsen have already provided you with the benefit of their expertise on this issue. But, as Majority Leader in the House, I am designated under the law to introduce the implementing legislation for the GATT Uruguay Round and a possible U.S.-Mexico agreement. Consequently, I thought it might be useful to share with you some of my own views on this important issue.

I am prepared to lend my full support to a North American Free Trade Zone if the agreement fights for American jobs and exports, preserves the world's environment, and defends the rights of Mexican workers. As one who cares deeply about the effect of trade policies on working Americans, my concern is that our trade negotiators keep uppermost in their minds the impact of this Agreement on American jobs, American companies and American exports.

Therefore, my support for the Administration's proposed North American Free Trade Area is contingent upon the inclusion of assurances that American jobs will not be lost in droves.

Like you, I want the Mexican economy to flourish and grow. Relying on low wages and unsafe working conditions as comparative advantages to lure away high-paying American jobs will not save the Mexican economy -- but it will further weaken the American economy. In order for Mexico to prosper, America must prosper. So for a free trade agreement to be a meaningful benefit to both nations, it must contain provisions that will stem any hemorrhage of American jobs across the border.

For that reason I request that you not limit the talks to what used to be traditionally known as "trade issues" -- tariffs, trade-related investment restrictions, dispute resolution and the like -- but rather that we address North American Free Trade systematically.

To do so will require discussing issues like transition measures, wage disparity, environmental protection and worker rights. Neither Mexico nor Canada nor America is benefitted by a system that benignly looks on massive air pollution, poisonous pesticides and child labor as "comparative advantages." And I cannot imagine that Congress would approve an agreement that did.

The grant of authority to proceed with negotiations under the fast track procedure is an extremely important one for Congress to make. I understand the increased complexity and difficulty of negotiating an agreement with a trading partner or a number of trading partners without the ability to proceed under the fast track procedure. At the same time, I am unwilling to support an extension of fast track without assurances that Congress and the Administration are true partners in these negotiations rather than adversaries.

Thus, I am writing to outline what I believe we should be seeking to achieve both in the current GATT Uruguay Round as well as the possibly upcoming U.S.-Mexico-Canada North American Free Trade Agreement (NAFTA) negotiations. Negotiated properly, these agreements will enhance economic opportunity and growth in this country and around the world. But negotiated poorly, they could cause U.S. workers and exporters to suffer grievously in economic terms.

I am hopeful that you will respond specifically to the issues outlined in my letter so that we can work together towards a GATT and North American Free Trade Agreement.

GATT Uruguay Round

I believe, as you do, that the GATT Uruguay Round could provide the U.S. and the world with a vastly improved international trading system. The possibility of achieving more uniform rules of trade in each of the negotiating areas could provide enormous benefits to U.S. workers, farmers and businesses.

The 1988 Omnibus Trade Act outlined 16 negotiating objectives for the Uruguay Round [19 U.S.C. 2901] and requires the Administration to report on your progress in achieving them. Despite the assurances in reports that your Administration has forwarded to Congress, I cannot now determine what progress has been made on many of these objectives.

And, based on press reports, discussions with Administration officials and representatives of our trading partners, I cannot now define what specific actions your Administration is contemplating in the GATT Uruguay Round to fulfill the Congressional objectives.

Indeed, in several areas, progress within the GATT Uruguay Round has been less than anticipated by Congress when it stated its objectives in the 1988 Act. For example, little or no progress has been made as part of the GATT Uruguay Round in expanding worker rights or in gaining access to markets for our high-technology products.

We must judge a GATT Agreement as a whole. At the same time, we must be unwilling to settle for an Agreement that does not enhance the international competitiveness of our economy, ranging from agriculture to services to manufacturing. We must reject any efforts to diminish the effectiveness of those U.S. trade laws that are already on the books.

Upon its completion, we must look at how an Agreement is to be implemented and enforced based on the possibility of new dispute resolution provisions. In the past, there has been a dramatic difference between the way that Congress and the Administration view our trade laws: The Administration views the U.S. as a defendant while the Congress views the U.S. as a plaintiff.

As a result of these different views, we should be wary of a strong dispute resolution mechanism if the underlying agreements in each of the 14 negotiating areas aren't completely acceptable. If a strong dispute resolution mechanism is combined with weak agreements, a lower standard is locked-in which, in essence, thereby diminishes our ability to protect the rights of American workers, farmers and businesses.

Finally, I must emphasize that the U.S. should not trade away any provision of our trade law such as dumping/countervail, Section 301 or the other vital tools that Congress has provided to work for a more level playing field.

North American Free Trade Agreement

I believe a negotiation with Mexico and Canada that will result in a North American Free Trade Agreement could be in our country's best interests. At the same time, I am deeply concerned about what the possible effects of an agreement could be.

The economic studies that have been published on a possible agreement not only are tentative in their conclusions but are based on assumptions that may have no connection with reality. It is disturbing that the Administration has yet to produce an economic impact analysis and, it appears from a number of discussions, has no intention of producing an impact analysis.

An official analysis by the Administration is really the only way we can truly judge what the effects of an agreement might be. Unless a study is based on the assumptions of those who are in fact negotiating the Agreement, the study will not assist us in our debates.

One of the most comprehensive studies done to date was published recently by the International Trade Commission. In its study, the ITC indicated:

> "(T)he Commission analysis suggests that an FTA with Mexico will benefit the U.S. economy overall by expanding trade opportunities, lowering prices, increasing competition, and improving the ability of U.S. firms to exploit economies of scale. <u>Since these gains are likely to outweigh the costs, the U.S. economy will probably gain on net.</u>"

This is not exactly a ringing endorsement of the idea of proceeding with an agreement. I truly want to assist Mexico and the Mexican people in terms of expanding economic growth and opportunity. But I refuse to accept the notion that the American worker should shoulder the burden of reaching an agreement. For this reason, I respectfully request that you direct the appropriate officials to provide me with the economic analysis on which you based your decision to proceed with the negotiations of a NAFTA. Congress and the American people have a right to know what is at stake before entering into negotiations under the limitations of the fast track.

I understand that your present intention is to proceed with a negotiation with as limited an agenda as possible. But, we must not exclude those issues which will help determine the competitive nature of our future relations or that will help to improve the quality of life in our countries.

Those issues that appear to be on the agenda are tariffs, intellectual property, trade-related investment restrictions and dispute resolution. While we must have the best possible provisions in a final agreement in each of these areas, this list is simply not sufficiently comprehensive to address the issues that are most important to our bilateral economic future.

Let me also share with you my thoughts on which issues should be addressed as part of a negotiation:

Escape Clause:

The prospect for potential job loss exists in a number of important industrial sectors. Because there has been no officially released Administration study of the impact of a proposed NAFTA, it is difficult to project what impact on jobs and our industrial base there will be.

Accordingly, it is important that a comprehensive escape clause provision be included as part of the negotiating framework that can act as a stop-gap measure to stem the loss of jobs and business opportunities if there is a hemorrhaging in any one sector. This provision should have an effective trigger that will allow us to ameliorate any negative impact on a sector and reassess what course of action to take.

I cannot stress strongly enough how important this issue is. We must be prepared to continuously examine and reexamine the progress of a NAFTA to ensure that the interests of American farmers and workers are protected.

Rules of Origin:

I assume that the discussion of rules of origin would be included as part of the NAFTA negotiations. I want to comment specifically, however, on how important I believe a strict standard for any rule of origin proposal is to a successful agreement.

Our nation faces an historic trade deficit. Industry after industry has faced the onslaught of fierce foreign competition that has forced many firms to close or request government help in opening markets and fighting unfair competition at home.

As we enter into negotiations on a NAFTA we must not allow Mexico to become an export platform for the products of third countries to flood our markets. Development of business opportunities by third countries that is designed to aid the Mexican economy rather than fill the coffers of the foreign parent company should be our goal.

Accordingly, I believe that we must have a very strict rule of origin standard regarding production in Mexico.

Transition:

Every study that has been done on the effects of a NAFTA recognizes that there will be dislocations in our labor market resulting from an agreement. I do not believe that the American worker should have to shoulder the cost of providing economic growth and opportunity to Mexico and its people.

Even in the absence of economic analysis, it is implausible that transition relief will not be needed by workers in industries harmed by the NAFTA. Accordingly, I believe that you must make a commitment to providing help to those who might be disadvantaged as a result of an agreement. This includes not only a commitment to expanded unemployment insurance for these individuals, but also appropriate training and retraining programs.

Additionally, transition relief measures should be examined that will allow companies adversely affected by a NAFTA to receive government help in finding new markets for their products and converting to new lines of business.

This must be a commitment not only to providing the governmental support mechanisms that are necessary, but also to funding these programs as well. American workers and American firms deserve no less.

Additionally, we must recognize that the US-Canada FTA will be phased in over a ten-year period. It is possible that we may need to allow for as long, if not longer, a phase in period in the case of Mexico. We may also want to examine the possibility of phasing in the provisions of a final agreement based on increasing standards of living in Mexico. This will provide the Mexican government with the incentives to continue with their liberalization programs as well as providing U.S. workers with a greater protection against a competitive policy based on wage differentials alone. At the same time, if we see substantial benefits, as in the US-Canada FTA, we may wish to accelerate the phase in process.

Wage Disparity:

One of the principal issues that is raised by the NAFTA is the question of how we address the substantial wage and standard of living disparity that exists between our two countries. Our goal must be to raise the wages and standard of living of Mexicans, not lower our own.

I am interested as to what steps might be taken to address this issue -- perhaps the most important issue involved in these negotiations.

Environment:

Without a provision on environmental controls, this agreement is likely to increase pollutants in and from Mexico and drain jobs from the U.S. needlessly.

Last year, with your help, Congress passed an historic Clean Air Act. In this legislation we committed ourselves to increasing environmental quality in this country while striking a balance between environmental quality and economic growth. Similar legislative action has occurred in the areas of water quality and pesticide residues, and in many other important areas.

In discussions with members of your Administration as well as Mexican authorities, I have noted a reluctance on the part of these officials to address important environmental concerns as part of the scope of these negotiations. I believe that these concerns must be part of the negotiating agenda. The more than 1700 businesses currently operating in the maquiladora program are threatening both the environment as well as the health of countless people on both sides of the border. Additionally, studies have shown that emissions from industries in other parts of Mexico have affected areas far beyond our common border.

The Clean Air Act and other U.S. environmental laws do add to the cost of doing business. In addition to the health and quality of life impact of Mexico's more lax environmental standards and enforcement, I am concerned that many American companies may relocate their operations because of this "comparative advantage." We must not allow this to happen. It would not be in the United States' or Mexico's best interest.

Indeed, it is tough for U.S. companies to compete against firms that operate under more lax environmental enforcement schemes. This laxity can, in fact, operate as a subsidy.

A number of Members of Congress have requested that an environmental assessment of a NAFTA be conducted. I would also ask that environmental issues be included on the negotiating agenda.

As part of this, I would hope that the question of pesticide use by Mexican farmers be given appropriate attention. While our farmers can compete against the best any country has to offer, they can not and should not have to compete against farmers who use pesticides that fail to meet U.S. standards. While we certainly can reduce the risks to our citizens through inspection of all agricultural products crossing our border, a better approach would be to agree to eliminate the use of these pesticides and harmful chemicals, thereby protecting the health and safety of our consumers and allowing for a freer flow of goods. This will help protect the health of the Mexican people as well.

Worker Rights:

A final agreement must include provisions that protect the fundamental rights of workers. Parties to the NAFTA must recognize that all countries have a common interest in respecting the fundamental rights of workers, in the achievement and maintenance of fair labor standards, and in the improvement of wages and working conditions. Among the provisions that a NAFTA should include are:

* Respect for freedom of association.
* Respect for the right to organize and bargain collectively, including on a regional basis across national boundaries.
* Prohibition of the use of any form of forced or compulsory labor.
* Establishment of a minimum age for the employment of children.
* Acceptable conditions with respect to wages and hours of work.

We must recognize the role that the NAFTA can play in promoting worker rights. We must refuse to accept an agreement that fails to provide real economic opportunity to the Mexican people. We must address both the substantive law and the procedural safeguards in this important area.

As part of this negotiation, we must also include the provision of proper health and safety standards for workers. We should seek to establish appropriate health and safety provisions that will prohibit accelerated development from occurring at the cost of worker's health and safety.

Labor Mobility:

I believe that the issue of labor mobility must be carefully considered. As we look to the future, we must understand the pressure that may be exerted on the wages of lower-skilled workers in this country if the issue of labor mobility is not critically addressed.

More specifically, I am very concerned about the prospect of substantial numbers of Mexican workers entering the U.S. labor market, even if only on a temporary basis. As you know, the U.S.-Canada FTA established procedures for temporary entry of Canadian citizen business persons into the United States and to facilitate temporary entry on a reciprocal basis between the U.S. and Canada.

Since the regulations were first issued in this area, there has been a considerable liberalization of the regulations to allow for new classes of entrants under the agreement. While the impact has been marginal, the possible impact under a NAFTA is much greater, if similar rules are applied to Mexico.

Indeed, as part of Mexico's submission in the GATT Uruguay Round, the government stated "The expansion of the service exports of developing countries and their increased participation in world trade in services depends on the liberalization of cross border movements of personnel covering unskilled, semi-skilled, and skilled labor, and that effective access to markets for their service exports can mainly be realized through this mode of delivery."

Human Rights:

The Salinas government has begun to move against police and government officials accused of human rights violations. We must commend the Salinas government. But, we must also use the NAFTA negotiations as a means of support for the Salinas government to make further efforts to curb human rights abuses.

Conclusion

In conclusion, I believe strongly in the goal of assisting Mexico and its people in terms of economic development and opportunity. But, we must not be willing to sacrifice the jobs and livelihood of American workers.

I believe an agreement can be reached that is in all of our best interests. We must not rush -- the stakes are too high. But, we must not be reluctant to accept the challenges.

If the areas I have outlined above are among the issues included in North American Free Trade Agreement negotiations, I believe that we should proceed. We must, however, be flexible and recognize that issues such as governmental ownership, debt relief, transportation regulation, exchange rates, subsidies and many others may arise that need to be addressed as well.

Ambassador Hills has raised the question of whether it would be acceptable for certain issues to be raised on a parallel track to the "core" negotiations. This depends on the commitment and intentions of your Administration and the Mexican Government. If the intention is simply to allow these negotiations to occur on a parallel track and allow them to die on the vine, that is unacceptable. If there is a true commitment to address these issues, then I am open to discussion as to the format under which the negotiations should occur. While certain issues might be addressed on a parallel track, Congress must be presented with a single piece of implementing legislation at the end of the process incorporating final agreements in all areas. We will also be looking for assurances as to what commitments the Mexican government will undertake. When Congress votes at the end of this process, it must see tangible results.

Roughly two-thirds of all Mexican exports are purchased in the United States. Conversely, Mexico purchases only about six percent of our exported products. We must understand the power of this fact as we enter into negotiations. We both have a great deal to gain, but we must not rush blindly towards an agreement.

Congress must be a partner in these negotiations. If we are able to agree on the scope of the negotiations, that will only start, not end the process. I look forward to working with you and members of your Administration throughout this period and beyond with the goal of reaching a final agreement.

Yours very truly,

Richard A. Gephardt

Richard A. Gephardt

RAG:mrw

THE WHITE HOUSE

WASHINGTON

APRIL 5, 1991

THE CHIEF of STAFF has seen

MEMORANDUM FOR GOVERNOR SUNUNU

THROUGH: DAVID DEMAREST DD

FROM: DEB AMEND DA

RE: EDITORIAL RESPONSE

Several newspapers have published OP/EDs or editorials against fast track, including the Los Angeles Times, Washington Post, Washington Times and Journal of Commerce. Attached is a copy of a letter to the editor from David Demarest we sent to each paper in response to these articles.

Twice as many papers have come out is support of the President's legislation; attached is a compendium of editorial support for fast track. This package has been distributed widely.

In the miscellaneous category:

o Attached is a clipping about Elie Wiesel's visit to the White House last month. This is one of the first times we've had a specialty reporter join an Oval Office pool. We are working with the press office to come up with a system that will enable us to arrange this type of local coverage routinely.

o The president of the Aerospace Industries Association responded to a New York Times editorial on arms sales. His letter is attached.

o Attached are several more letters to the editor of "Time" magazine concerning their man of the year story.

CC: Dorrance Smith

THE WHITE HOUSE

WASHINGTON

April 4, 1991

Dear Editor:

I disagree with the February 12, 1991 editorial that you published by Harry Bernstein. Mr. Bernstein failed to mention all of the benefits that accrue from free trade with our global trading partners, and the substantial involvement that the Congress enjoys in formulating trade agreements that are established under fast track procedures.

American individuals and business owners alike, understand how vital it is to have the simple authority to reach across the table and shake hands on a deal. In essence, fast track does just that--it gives the negotiators on both sides of the table greater assurance that their final agreement will be the one implemented. Without that assurance, no negotiator would reveal his or her bottom line.

Critics of granting an extension claim that the Congress is shut out of the negotiating process when fast track procedures are used and, thereby, cheat the American people of fair representation. Indeed, the contrary is true. Since the special relationship between the Congress and the Administration was forged nearly sixty years ago, the Congress remains an <u>essential</u> part of the process. To use the fast track for any agreement, the President must notify the Congress 90 days before the agreement is signed. For the next 60 days, the Congress has the authority to disallow fast track treatment giving representatives ample time to debate the worth of the agreement. Once the agreement is reached and fast track granted, the Congress and the Administration work in close consultation to formulate implementing legislation, involving full participation of all committees of jurisdiction.

The majority of the Members of Congress have recognized the value of fast track in negotiating trade agreements. In the 1988 Trade Act, the Congress expressly contemplated that an extension of fast track may be needed to carry out the trade objectives set forth in the law. Denying the use of fast track authority has universal impact--it applies to <u>all</u> prospective trade agreements. Therefore, the much ballyhooed U.S./Mexico free trade agreement will not be the only casualty of a Congressional assault--negotiations with the European Community via the Uruguay Round and trade with the capital-deficient democracies in South America under the Enterprise for the Americas Initiative, will also be jeopardized if fast track is voted down. In short, a vote against fast track is a vote against trade. And, in the world's increasingly global marketplace, can the U.S. afford that?

America is the world's largest trader. Exports have become a vital source of strength to the U.S. economy. In 1990, the nearly 8.5 percent of growth in U.S. exports accounted for 88 percent of our total economic growth. As a former Assistant United States Trade Representative[1], it is clear to me the importance of extending the fast track procedures. I saw first hand how fast track helped the United States reach a sound free trade agreement with Israel in 1985, and watched it work again in 1988 with Canada. Fast track authority is a powerful tool for our negotiators, and provides a steady assurance for our trading partners. It should be preserved, for the sake of America's success and future growth.

Sincerely,

David Demarest
Assistant to the President
for Communications

1. Mr. Demarest served four years in the Office of the United States Trade Representative and was named Assistant United States Trade Representative for Public, Intergovernmental, and Private Sector Affairs in January, 1985.

Letters to the Editor
Los Angeles Times
Times Mirror Square
Los Angeles, CA 90053

LABOR /HARRY BERNSTEIN

Let's Not Trade Away Jobs to Mexico

The Bush Administration's race to get a fast-track, free-trade agreement with Mexico may boost profits of some U.S. companies hungry for cheap labor, but it could be a disaster for millions of low-income workers in this country.

Carla Anderson Hills, the U.S. trade representative, is leading the Administration's unseemly rush to get the agreement. President Bush said such a deal would also include Canada, which has its own free-trade pact with us.

Hills, who thinks on a grand scale, hopes in time to bring other countries into a Western Hemisphere free-trade agreement, which would surely mean the export of more U.S. jobs and would further depress U.S. wages.

It would pit U.S. workers against Latin American workers who, like the Mexicans, earn a small fraction of workers' wages here.

The idea is simple enough. By removing almost all tariffs and other trade barriers, U.S. firms would be encouraged to open plants in Mexico and eventually throughout Latin America.

Providing more jobs for Mexicans and other Latin Americans is a great idea, but we shouldn't ask workers here to pay for it with their jobs, especially as our unemployment rate is rising.

Sometime in future, exporting our jobs may develop Latin America and help the United States a bit. But that distant possibility will give little comfort to U.S. workers whose jobs are moved.

There's nothing new about U.S. companies going abroad for cheap labor. However, the Administration's proposed free-trade agreements will vastly expand the territory where the companies may recruit low-wage workers and escape U.S. laws that help protect workers and control pollution.

Negotiations for a U.S.-Canadian-Mexican agreement have started, and Hills hopes to have it completed by year-end.

Early next month, however, Congress could wisely slow the rush toward the pact by rejecting President Bush's request for a two-year extension of his authority to negotiate a fast-track agreement that Congress could reject but not amend in any way.

Ramifications of a tripartite pact alone are uncertain, but it is ridiculous to compare a Western Hemisphere free-trade agreement with the 12-nation European Community scheduled to become a single market in 1992.

The EC includes many of the world's most economically advanced countries, and none are as poor as most of the countries that would be our partners in a Western Hemisphere Community.

One way to predict what will happen to our workers is to look at those *maquiladora* plants owned and operated by U.S. companies just south of our Mexican border.

The U.S. firms usually make components of a product here and ship it to their *maquiladora* plants, where it is assembled and returned to this country for sale.

The free-trade pact would change that system to our disadvantage. A study issued last week by the U.S. International Trade Commission said the proposed pact would allow Mexico to produce more of those component parts, 95% of which are produced in this country for use in the *maquiladoras*. That shift would mean the exportation of many more jobs from this country.

The poverty-stricken Mexicans urgently need jobs and so accept 60 to 80 cents an hour, with almost no fringe benefits, from the *maquiladoras*. That is less than the average that workers are paid in other parts of Mexico and doesn't come close to our national minimum wage of $3.80 an hour or the $4.25 minimum wage in California.

The *maquiladora* owners also get favored treatment on tariffs and taxes. And because they operate in Mexico, where laws and enforcement are looser than in the United States, they seldom worry about such costly details as water and air pollution treatment, worker safety or sanitation.

It's a good deal for the U.S. companies, as shown by their rush to get into the act. In 1988, 1,000 *maquiladoras* employed about 300,000 Mexicans at wages no worker could survive on in this country.

Since then the number of *maquiladoras* has doubled, and they employ nearly 500,000, most of them young women earning about 60 cents an hour. They live in squalid shacks, often without running water, sewers or electricity.

We must not expect our workers to compete with even more of those unfortunates.

The jobs provided to Mexicans by the U.S. companies are better than none, but they are not stopping the flow of illegal aliens, as some claim.

Last week in a U.S. Senate hearing on the proposed agreement, Thomas Donahue, AFL-CIO secretary-treasurer, noted that poor Mexicans won't be deterred from trying to slip across the border, seeking jobs that pay several dollars an hour, just because a U.S.-owned *maquiladora* is offering work at 60 cents an hour.

The trade commission said the proposed agreement would lead to an expansion of *maquiladoras* throughout Mexico, no longer limiting them primarily to plants near the border.

Trade between the two countries may well increase under the proposed agreement. The trade commission concludes with the less-than-reassuring guess that the United States will "probably" end up, in time, with a net gain under a free-trade pact with Mexico.

The AFL-CIO's Donahue said all of us must help raise Mexican living standards with everything from debt relief to expanded foreign aid and development. But he correctly complains that the proposed trade pact "asks only our workers to pay for Mexican development. There is no equality of sacrifice, no sharing of the burdens of assisting our neighbor."

Organized labor may not stop the proposed agreement, but if Congress takes it off the dangerous fast track it is on, an agreement debated in depth might be devised that would help workers of all the nations involved, not mostly corporations in their quest for cheap labor.

<u>EDITORIAL SUPPORT OF PRESIDENT BUSH'S PROPOSAL TO EXTEND FAST TRACK</u>

"Freer trade is one way Congress can spur the sluggish economy. Fast-track is the necessary first step."

<u>The New York Times</u>, April 4, 1991

"Two complex and all important negotiations sit at the top of Washington's trade agenda. The success of both would be an enormous economic and political coup. To improve its odds, the Bush administration is asking Congress for authorization to simplify the process. This is one occasion when politics and the national interest coincide. The request for so-called fast track approval should be granted."

<u>Los Angeles Times</u>, March 13, 1991

"President Bush wants Congress to OK "fast-track" free trade talks. If Congress agrees, it waives the right to amend the agreement and can only vote for or against the final package. This is vital. If 535 members of Congress pick at the free-trade pact, it will be deader than Saddam Hussein's tank corps."

<u>Express News</u>, March 7, 1991

"Our negotiations for GATT have so far been conducted on the "fast track," which means that Congress must vote up or down, without amendments, on any agreement.

If fast-track authority expires--as it is scheduled to do June 1--further negotiations will be impossible."

<u>Rocky Mountain News</u>, February 12, 1991

"Congress should extend the negotiating deadline, demonstrating that America's newly enhanced claims to world leadership rest on factors besides military prowess."

<u>The Christian Science Monitor</u>, March 7, 1991

"Lawmakers who reject fast-track authority are voting against the chance for an improved and more efficient world trading system. They also are voting against lower clothing prices for their constituents, better patent protection for local company's products and the ability of U.S. banks to compete globally against larger foreign institutions."

<u>The Journal of Commerce</u>, February 27, 1991

"Successful conclusion of the Uruguay round could expand global trade by as much as $4 trillion by the end of the decade and increase U.S. exports by as much as $200 billion. With so much to be gained from freer trade in agriculture and other sectors, Congress should move promptly to extend the fast-track authority."

The San Diego Union, February 25, 1991

"In the short run, the Mexican economy will benefit greatly from a free-trade pact with the United States. But in the long term, such development will stabilize Mexico and help create a vast market for American goods and services. Thus Congress should give the President "fast track" authority to negotiate with Mexico. The prosperity of America's third-most-important trading partner is vital to the future of the United States."

The Miami Herald, March 20, 1991

"Not every American wins. The sugar, textile and shipping industries are some of the sectors that will lose protection if Congress approves the trade accord. That's why fast-track negotiating authority is critical. Without it, these interests will load the legislation with killer amendments, spoiling important gains for everyone else."

New York Times, February 24, 1991

"If the fast track process is killed by resolution in either house of Congress, Tucson will be among the biggest losers. This city could become a significant transit and financial hub in the North American free trade zone. As it stands today, the trade agreement is a blank sheet, but it will remain blank if the fast track process is not allowed to continue."

Arizona Daily Star, March 8, 1991

"Unfortunately, 37 senators, led by Ernest Hollings, the South Carolina Democrat who chairs the Senate Commerce Committee, vigorously oppose an extension. If they prevail, the Uruguay Round will finally die, and the chances of a protectionist backlash will rise accordingly. One of the most important steps Congress can take this year is to extend the fast-track procedure, sending the nations of the world back to the bargaining table until they produce an agreement."

St. Louis Post-Dispatch, January 16, 1991

A Fast — and Prosperous — Track

Congress confronts two chances, one monumental, to boost prosperity through freer trade:

¶The five-year Uruguay Round of international trade talks is, barring catastrophe, about to produce a reverberating agreement slashing trade barriers and thereby adding trillions to the world's economies by the year 2000.

¶Mexico and the U.S. have vowed to negotiate a free-trade pact, which should provide modest advantages to both countries' economies.

But before any of this happens, Congress must first approve an extension of fast-track legislation that requires it to vote on trade agreements promptly and without amendments. Otherwise each agreement will be prey to killer amendments pressed by special interests. Freer trade is one way Congress can spur the sluggish economy. Fast-track is the necessary first step.

•

The Uruguay Round is designed to cut tariffs and open foreign markets to exports of agriculture, services and intellectual property — all vital to the U.S. economy. Negotiations are bogged down over protectionist farm policies of the European Community, but it has recently indicated some flexibility. The stakes are huge, especially for underdeveloped food-exporting nations.

The case for a Mexican free-trade pact is less compelling. For starters, bilateral agreements are inherently discriminatory: favored access to the U.S. market for Mexican textiles means unfavored access for Brazilian textiles. But in this instance, trade diversion will be small.

More troubling is opposition by organized labor, which says the pact would cost millions of U.S. jobs. This fear is exaggerated. Freer trade will bring more jobs and cheaper consumer goods. As Mexico has dismantled protective rules, U.S. exports of high-tech products have doubled.

Mexican manufacturing workers earn one-seventh the going U.S. rate, but much of the difference is due to higher U.S. productivity. Yet some of the wage disparity results from bloated costs hiding behind protective trade barriers. With a free-trade pact, workers in textiles and steel will be laid off.

The compassionate remedy is not to impose billions in higher prices on all Americans. It is to provide generous assistance and retraining for the few thousand affected workers.

Labor has a stronger case when it says Mexican employers must provide safe, humane working conditions. Mexico has already adopted international standards, but enforcement is weak.

Environmentalists fear that U.S. companies will flee to take advantage of Mexico's lax enforcement of pollution regulations. As The Times recently reported, pollution routinely leaks into rivers that carry it to the U.S. But the trade pact wouldn't worsen the problem.

Mexico is special; the common border and its program of economic reforms warrant President Bush's commitment. The Administration has addressed legitimate criticism by promising to negotiate working conditions and environmental protection separately.

The upcoming fast-track vote will cover both agreements. This raises the danger that opposition to the Mexican pact will scuttle the Uruguay Round. If that peril develops, prudence dictates separating the two votes; the Mexican pact isn't important enough to risk losing the Uruguay Round. But otherwise the best outcome for Americans is for Congress to give fast-track authority to both pacts.

EDITORIALS of THE TIMES

It's Probably the Fast Track or No Deal

Bush Administration is right to push for special powers in trade talks

Two complex and all-important negotiations sit at the top of Washington's trade agenda. The success of both would be an enormous economic and political coup. To improve its odds, the Bush Administration is asking Congress for authorization to simplify the process. This is one occasion when politics and the national interest coincide. The request for so-called fast-track approval should be granted.

The negotiations involve Mexico and Canada on one hand and the world trading system on the other. So far, the global—or General Agreement on Tariffs and Trade—negotiations have been a bust. The more than 100 participating nations have been unable, some say unwilling, to come to an agreement on new rules regarding tariffs and other trade regulations. The Administration is having more success pursuing a trilateral trade deal with Mexico and Canada.

In an attempt to push both potential agreements along, the President has petitioned Congress for special authority to conduct negotiations under a procedure that allows the Administration to hammer out final trade agreements as quickly as feasible and bring them to Congress for a straight yes-no vote. Under this so-called fast-track authority, Congress cannot amend the trade agreements. That is not to say Capitol Hill would be handing President Bush a blank check on trade. The President would still have to incorporate congressional concerns—and adhere to consultative and notification requirements.

Bush had fast-track authority for the multilateral trade talks, but needs an extension because negotiations stalled in December over agricultural subsidies. The ambitious talks, begun in Uruguay in 1986, aim to cut tariff and non-tariff barriers on agriculture, investments and other trade categories. The talks recently resumed with a seemingly new resolve. And extending fast-track authority to the free trade negotiations with Mexico and Canada would provide a mandated matrix for those discussions, which will begin this summer.

Although widely lauded in principle, free trade is still a controversial idea. So Congress is likely to raise a noisy fuss about the competitive concerns of its constituents. That should prod the Administration into making those concerns part of the agenda for the trade agreements. But after getting such assurances, Congress must not block the President's free trade efforts. It must give the White House fast-track authority and step aside.

Express-News

San Antonio, Texas

Thursday, March 7, 1991

Set parameters, boost trade pact

Delegates from the Greater San Antonio Chamber of Commerce spent part of this week in Mexico developing free-trade strategy with their Mexican counterparts.

Free trade will certainly boost our border economy, but, oddly, to help achieve it proponents should address the negatives as well as the positives. If they aren't addressed in the trilateral — U.S.-Mexico-Canada — talks, the drawbacks could wreck final passage.

For example, Mexican laws are lax on such as pollution and pesticides. Americans and Canadians don't want to import tainted produce. And Mexicans don't want to be a North American repository for toxic wastes.

And no one argues that one immediate negative of free trade will be the flight of jobs south of the border. However, better-paid Mexican consumers will create a market for U.S. and Canadian goods, which will create U.S. and Canadian jobs. That story needs to be told.

President Bush wants Congress to OK "fast-track" free-trade talks. If Congress agrees, it waives the right to amend the agreement and can only vote for or against the final package. This is vital. If 535 members of Congress pick at the free-trade pact, it will be deader than Saddam Hussein's tank corps.

Congress has until June 1 to let Bush know, but its key players on trade, House Ways and Means Committee Chairman Dan Rostenkowski and Senate Finance Committee Chairman Lloyd Bentsen, support fast-track negotiations.

Many Americans are wary of free trade with Mexico, fearing more lost jobs and what they consider lower Mexican standards on the environment, human rights, drug enforcement and patent and copyright protection. Bentsen acknowledges there are "real and legitimate concerns," and predicts a "real battle" in Congress over fast-track authority.

That's why setting the agenda now for the trade talks is urgent. That's where groups such as the chambers of commerce can help. Get the issues on the table, and make free trade both profitable *and* palatable.

Tues., Feb. 12, 1991

Rocky Mountain News

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Extend deadline for GATT

Two wars are being fought for the New World Order so dear to President Bush's heart — one in the gulf and the other over the negotiating tables of international trade.

Preoccupied with the first, Bush must simultaneously manage the second by reviving talks on the international General Agreement on Tariffs and Trade (GATT). Negotiations stalled last December.

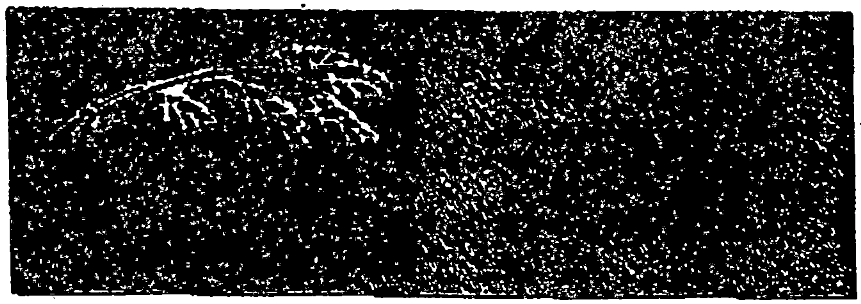
Keeping them alive will be difficult but crucial. At stake is nothing less than the most salutary element of the "old world order": the generally liberal attitude toward international trade shared by Western nations since the end of World War II. That regime inspired the greatest flowering of material wealth in civilization's history. A new GATT agreement could expand it further, by as much as $4 trillion by century's end.

Our negotiations for GATT have so far been conducted on the "fast track," which means that Congress must vote up or down, without amendments, on any agreement.

If fast-track authority expires — as it is scheduled to do June 1 — further negotiations will be impossible. Bush is expected to ask Congress for a two-year extension this month. The free marketeers on both sides of the aisle should give him strong support.

THE CHRISTIAN SCIENCE MONITOR

Thursday, March 7, 1991



Keep Trade Fast Track

A BREAKTHROUGH last month in Geneva has revived talks on global trade that stalled in December. Now it is up to Congress to ensure that the negotiations can go forward to a satisfactory conclusion.

The so-called Uruguay Round of trade talks under the auspices of the General Agreement on Tariffs and Trade (GATT) was to have culminated in December, when the 107 member nations were to sign a pact to lower tariff barriers, liberalize trade in services like banking and insurance, create new protections for international patents and copyrights, and streamline the mechanism for resolving trade disputes.

The talks foundered, however, when European nations refused to accept reductions in agricultural barriers and subsidies demanded by the United States and other major food-exporting nations. Now, thanks to the patient efforts of Arthur Dunkel, GATT's director general, Ray MacSharry, the European Community's commissioner of agriculture, and others, the Europeans have agreed to negotiate "specific binding commitments" on each of three major agricultural trade issues.

But reaching those commitments will take time, and Congress needs to grant that time. Under legislation passed in 1988, the president has authority to negotiate a trade agreement and submit it to Congress for "fast track" approval. That is, Congress must vote on any proffered trade pact without amendments, since US trade partners are understandably reluctant to enter into trade agreements that can be altered by special interests in Congress. The fast-track authority expires June 1, however.

Last week the Bush administration requested a two-year extension, as well as similar authority to negotiate a free-trade agreement with Mexico. The request can be rejected by either house of Congress within 90 days.

Congressional observers predict a fierce battle over the extension. Organized labor, which fears loss of American manufacturing jobs to Mexico and other low-wage competitors, has joined with the textile industry and other protected manufacturers to resist the extension.

It's essential that national and multinational interests prevail over parochial ones. The progressively freer trading order during the post-World War II era has contributed greatly to global prosperity – and to America's own prosperity. The United States, which has long taken the lead in free trade, must not now turn its back on that commitment.

Congress should extend the negotiating deadline, demonstrating that America's newly enhanced claims to world leadership rest on factors besides military prowess.

THE JOURNAL OF COMMERCE, Wednesday, February 27, 1991

Approve Fast Track

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PRESIDENT BUSH THIS WEEK will send Congress a seemingly minor trade proposal that nonetheless could set the course of world commerce for the rest of this decade.

The president will ask lawmakers to approve a procedure that would speed congressional ratification of trade agreements. But the procedure, known as fast-track authority, is much more than a technicality. Without it, the Uruguay Round of world trade talks could collapse before an agreement is reached. Fast-track authority is a prerequisite for a new world trade agreement and the lower prices and open markets that will come with it. The president's request deserves the full support of Congress.

The multilateral trade talks, conducted under the General Agreement on Tariffs and Trade, are back on track after nearly collapsing last December over a dispute on government subsidies to farmers. The GATT negotiations are aimed at reducing tariffs and lowering subsidies and import quotas that distort trade by discriminating against overseas producers. Higher prices for many goods and services are usually the result of such protectionism.

In addition to agriculture, GATT negotiators are working on agreements that would cover textiles, insurance, banking, patents, copyrights and investments. U.S. officials have estimated that a successful trade agreement would be worth $1.1 trillion to U.S. business over the next 10 years through faster and more efficient economic growth.

A trade agreement that is considered by Congress under fast-track procedures must be approved or rejected without changes. This is to avoid congressional amendments that could sabotage a carefully balanced accord. Current fast-track authorization expires May 31, too soon to cover a new GATT agreement. The president will ask for a two-year extension, which would allow fast-track procedures to apply to a U.S.-Mexico free trade agreement as well as a GATT accord.

Many in Congress oppose fast-track authority; chances for approval, if a vote were taken today, would be no better than 50-50. Much of the opposition comes from lawmakers who would like to see the GATT process fail. They support industries, such as textiles, that would face much greater international competition under a new GATT agreement. Textile manufacturers, for example, say they would lose more than one million jobs if the hundreds of quotas limiting imports were eliminated under a new trade agreement.

Lawmakers, understandably, have trouble supporting measures that cost jobs. A GATT agreement certainly would eliminate some textile jobs, for example, but it also would create millions of jobs in industries that would have an easier time exporting. Protectionism doesn't save jobs in the economy at large, it simply preserves them for a while in the protected industry.

Continued..

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Opposition to fast-track authority also comes from lawmakers who believe they lose a voice in trade policy decisions when they give up the right to amend agreements. Their arguments are more compelling than the protectionists, but they ultimately don't stand up under scrutiny.

Congress already plays an active role in trade matters. The president cannot begin trade talks without congressional approval. During drawn out trade deliberations, congressional leaders meet frequently with negotiators to express their views. Congress was consulted repeatedly during the U.S.-Canada free trade talks, for example. A 50-member congressional delegation accompanied U.S. negotiators to last December's GATT meetings in Brussels.

Moreover, once an agreement is concluded, congressional trade committees work closely with the White House in writing the crucial legislation that implements the trade accord. And, of course, Congress still has the ultimate right to approve or reject the agreement.

Perhaps the most persuasive argument for approving fast-track authority is that any meaningful trade agreement is unlikely without it. If U.S. ratification seems uncertain because of the chance of killer amendments, there is little reason for other governments to take the political heat by offering trade concessions that could cost them votes at home.

Lawmakers who reject fast-track authority are voting against the chance for an improved and more efficient world trading system. They also are voting against lower clothing prices for their constituents, better patent protection for a local company's products and the ability of U.S. banks to compete globally against larger foreign institutions.

The fast-track vote, which likely will occur in May, is much more than a procedural exercise. It is an opportunity to keep the GATT process alive and with it the benefits that will come from lower prices on many of the goods and services we buy.

The San Diego Union · The Tribune

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350 CAMINO DE LA REINA 92108-3090

Back to Brussels

The European Community has finally bowed to pressure from the United States and other farm-exporting nations to negotiate a reduction in crop subsidies. Last December, the EC's intransigence led to a breakdown in talks to extend the 108-nation General Agreement on Tariffs and Trade (GATT), which is designed to foster increased global commerce.

Now, the 12 EC nations have agreed to make "specific binding commitments" to reduce farm price supports, export subsidies and import barriers. The EC's new flexibility clears the way for resumption of the Uruguay Round of negotiations to expand and refine GATT rules.

All told, 15 areas of trade are being negotiated in the talks. The United States has been especially interested in broadening the coverage of GATT to include such sectors as banking, services, investments and intellectual property such as trademarks and copyrights.

The sticking point in earlier efforts to work out a compromise on agriculture subsidies was the EC's reluctance to subject its 10 million farmers to the competition of the global market. The EC provides its farm sector more than $50 billion a year in subsidies. Japan and the United States together provide more than $30 billion a year to their farmers in subsidies. These government supports greatly skew the world agriculture market — to the detriment of consumers and taxpayers.

Although the United States always has been willing to pare its farm subsidies for the sake of GATT, and Japan has gone along to get along, the EC is showing flexibility for the first time. The United States and other farm-exporting nations have proposed a 10-year program to reduce government supports by 75 percent and export subsidies by 90 percent.

Now that the Uruguay Round is back on track, it is critical that President Bush receive from Congress an extension of the so-called "fast track authority." Under this arrangement, which is scheduled to expire on June 1, negotiated trade agreements are subject only to a simply up-or down vote in the House and Senate. Lawmakers are not permitted to attach amendments that can either kill or delay passage of the agreement negotiated by the administration.

Successful conclusion of the Uruguay Round could expand global trade by as much as $4 trillion by the end of the decade and increase U.S. exports by as much as $200 billion. With so much to be gained from freer trade in agriculture and other sectors, Congress should move promptly to extend the fast-track authority.

MIAMI HERALD
3/20/91

Clear the 'fast track'

TO TRADE WITH MEXICO

PRESIDENT Bush has asked Congress to extend his "fast track" authority to negotiate trade agreements, and Congress should grant it. The authority assures the White House that any trade agreements that it reaches with foreign governments would move promptly through Congress.

The President primarily needs "fast track" authority to negotiate the intricate Uruguay Round of trade talks and a free-trade pact with Mexico. The Mexico talks would take place over two years. The resulting pact would phase in over 10 years.

The extraordinary economic community created by the agreement was unthinkable only a decade ago. It would group Mexico, Canada, and the United States in a grand North American trade zone that would bring greater prosperity to all three. It could also be a prelude to a common market covering the entire hemisphere.

In proposing such intimate economic ties with the United States, Mexican President Carlos Salinas de Gortari has made a revolutionary break with Mexican political tradition. Thus his political risks are great.

The AFL-CIO has voiced vehement opposition to the pact. It claims that the pact would threaten U.S. workers' wages as American industry moves south to take advantage of cheaper labor. South Florida vegetable farmers voice similar concerns that Mexican growers are free of protective labor or environmental laws.

These objections fail to note that U.S. investment in Mexico creates jobs in both countries. Further, if American companies cannot take advantage of Mexican labor, they will move elsewhere. And if American companies cannot invest advantageously in Mexico, foreign firms will.

In the short run, the Mexican economy will benefit greatly from a free-trade pact with the United States. But in the long term, such development will stabilize Mexico and help create a vast market for American goods and services. Thus Congress should give the President "fast track" authority to negotiate with Mexico. The prosperity of America's third-most-important trading partner is vital to the future of the United States.

THE NEW YORK TIMES, SUNDAY, FEBRUARY 24, 1991

A Big Win-Win on Trade

p.16

Finally, a crucial breakthrough on trade. The European Community last week agreed to demands from the U.S. and third world food exporters to negotiate specific reductions in each of three areas of farm subsidies. That breaks the impasse that paralyzed the Uruguay Round of international trade talks in December and opens the way for a bold trade agreement that could add trillions to the world's economies in the 90's.

An agreement to negotiate is not yet an agreement. Hard bargaining will commence this week. Having won the principle, however, negotiators need not be so concerned with the actual amount by which farm subsidies will now be cut. Once agricultural trade is included in the General Agreement on Tariffs and Trade, subsidies will eventually fall to insignificance.

The European Community has made a brave decision: Congress owes its trading partners no less. President Bush will ask it to extend "fast-track" negotiating authority, which permits Congress to reject, but not amend, the final agreement. Without such authority, the trade accord will be amended to death by special interests and the European decision will have been in vain.

The Uruguay Round hopes to incorporate, for the first time, rules governing trade in agriculture, intellectual property, services and investment. Farm subsidies are key because third world food-exporting nations will not accept rules protecting trade in property and services unless Europe and the U.S. open their borders to food and textile imports.

Until now the Europeans have refused to budge. They have a longstanding commitment to protect a few million family farmers. Prices are kept artificially high, stimulating production. The surplus stocks are then dumped onto foreign markets at subsidized prices, devastating farmers in developing countries. The policy costs European taxpayers $100 billion a year, which may explain the Community's willingness to change.

Previously, the Europeans have agreed only to reduce a vaguely defined measure of overall protection, but not each identifiable component of its policy: production subsidies, export subsidies and import barriers. And the reductions they offered were tiny compared with what the U.S. and third world food exporters were demanding.

Now everything has changed. The principles are settled; only the details must be negotiated. Everyone will have to give, but that kind of give-and-take is the ordinary stuff of international trade bargaining.

The U.S. is in a unique position. It loses billions each year to pirates of copyrighted and patented materials. And even efficient U.S. farmers can't compete against subsidized exports from the E.C. So an agreement that protects intellectual property and services and also reins in European farm protection provides a big win-win.

Not every American wins. The sugar, textile and shipping industries are some of the sectors that will lose protection if Congress approves the trade accord. That's why fast-track negotiating authority is critical. Without it, these interests will load the legislation with killer amendments, spoiling important gains for everyone else.

ARIZONA DAILY STAR, 8 MARCH 1991

14A 3/8/91 Star

Free trade

'Fast track' process must continue

The most important step in the free trade agreement negotiations is about to take place. If the "fast track" process is not extended by June 1, the trade agreement will die.

If it dies, so do the tremendous economic prospects of the largest free trade block in the world. This block of the United States, Canada and Mexico promises a combined population of 362 million, a combined GNP of $5.9 trillion and a trade flow of $235 billion.

"Fast track" is a process, and it is not fast. It means that when the executive submits an economic agreement for approval, the Congress may only vote yes or no on the agreement; it cannot attach amendments. "Fast track" is the only way in which the United States could negotiate an economic agreement, as no foreign government would enter into negotiations knowing that the Congress could amend the final agreement.

Because fast track prevents congressional amendment to the agreement, there are extensive notification and consultation requirements aimed at making Congress a full partner with the executive in the negotiation process. It is expected that the administration will submit a request for extension, and the fast track negotiating process will be extended for two years unless either the House or Senate passes a resolution in opposition by June 1. If such a resolution were passed, the administration would have no power to negotiate.

Those who oppose free trade include primarily two groups: organized labor and environmental groups. The former fears that free trade will mean a migration of jobs to Mexico, where labor is cheaper. Environmentalists fear that Mexico will export pollution or tainted products, that U.S. business will take full advantage of less stringent environmental laws in Mexico.

In regard to migration of jobs, the prospect is for more, not fewer, jobs in the United States. A recent study by the Conference Board shows manufacturing relocation took place primarily in Europe. Of more than 250 new plants built by Fortune 500 companies, 54 percent were located in Europe, 20 percent in Asia and 3 percent in Latin America.

Moreover, a study of the maquiladora, or twin plants, industry along the border shows that these companies purchased most of their raw materials from the United States — some 86 percent. The rest of the materials came from Mexico and Asia. The proximity makes the United States a natural source for supplies and materials, and this in turn creates jobs. Because of the global nature of the world economy, companies will seek to hold down costs wherever they can. Unlike plants in Asia or Europe, Mexican plants benefit the U.S. economy.

As for environmental issues, these are being addressed in the Border Integration Program. The Environmental Protection Agency and its Mexican counterpart, SEDUE, are working on this program. The agencies are now collecting information on environmental problems along the border, including air and water pollution, hazardous waste and sanitation. A plan is to be presented for public comment in September.

In addition, the United States and Mexico now are studying how to protect Mexico's remaining rain forest and how to reduce air pollution in Mexico City. The U.S. Embassy in Mexico City has an EPA representative on staff.

If the fast track process is killed by resolution in either house of Congress, Tucson will be among the biggest losers. This city could become a significant transit and financial hub in the North American free trade zone. As it stands today, the trade agreement is a blank sheet, but it will remain blank if the fast track process is not allowed to continue.

Renew 'Fast-Track' Authority On Trade

There may be a shooting war in the gulf, but there is still a chance to avoid a trade war between Europe, America and Japan. It depends on Congress. But getting the legislators to do the right thing will be tricky. The Uruguay round of international trade talks have broken down, and the authority of the administration to continue to participate in them is about to lapse. Congress must be persuaded to renew that authority by the prospect of success. That depends on the Europeans and the Japanese.

After four years of bargaining, the 101 nations covered by the General Agreement on Tariffs and Trade failed to reach agreement on revising and extending the GATT to cover international trade in services, intellectual property and agriculture. Until now, the GATT's provisions have been confined to trade in manufactured goods. Important agreements to expand trade in services were put on hold until ways to liberalize agricultural trade were worked out. But Europe and Japan have refused to modify their subsidies for both the production and export of food. In December, the talks broke down.

There is no point in resuming them unless Congress renews the so-called fast-track authority that guarantees an up-or-down vote without amendments by Congress on any GATT agreement. Without such a rule, no trade agreement can be ratified; special interests would amend it to death. Fast-track authority expires in June, too soon to finish the talks. Thirty-seven senators have already announced their opposition to renewal. Resentment against unfair trade practices by Europe and Japan are tempting many to consider walking away from the talks and turning to retaliation instead.

But Congress would probably renew fast-track authority if the chances of resolving the food dispute appear good. American officials think they may be, but they won't know for sure unless they can go back to the bargaining table. Europe and Japan should publicly indicate a willingness to be flexible on food to help the administration to convince Congress that the trade talks should not die.

Feb. 2, 1991

St. Louis Post-Dispatch

Jan. 16, 1991

Save The Trade Talks

Last month the Uruguay round of the General Agreement on Tariffs and Trade failed; the four-year attempt to extend free-trade rules on goods to include services and food came to an end as the 12 nations of the European Economic Community refused to trim their agricultural subsidies. All now fear the storm of protectionism that may come, but it doesn't have to happen. It mostly depends on what Congress does.

A trade agreement signed by more than 100 of America's trading partners and containing thousands of provisions would be impossible to get through Congress if open to amendment. This is why Congress created the so-called fast-track procedure for considering the results of international trade negotiations. The administration is granted by law a fixed amount of time — usually a couple of years — in which to negotiate and submit to Congress a trade agreement as a single package for an up or down vote without amendments.

The authority covering the Uruguay round expires this spring, meaning that the treaty had to be completed by the end of 1990 in order to be codified in time for presentation to Congress under the fast-track procedure. Accordingly, the talks have not been resumed. But they could be — if Congress were to extend the fast-track procedure's life sometime in the next few months.

Unfortunately, 37 senators, led by Ernest Hollings, the South Carolina Democrat who chairs the Senate Commerce Committee, vigorously oppose an extension. If they prevail, the Uruguay round will finally die, and the chances of a protectionist backlash will rise accordingly. One of the most important steps Congress can take this year is to extend the fast-track procedure, sending the nations of the world back to the bargaining table to labor until they produce an agreement.

MIDEAST

Wiesel urges Bush to 'persuade' Israel

President presented with humanitarian award

By Neil Rubin
Special to the WJW

Never one to miss an opportunity to tell a president what's on his mind, Nobel laureate Elie Wiesel urged President Bush Monday to use "persuasion, not pressure, with Jerusalem" in his push for an Arab-Israel peace.

Wiesel was at the White House to present Bush with the Humanitarian Award of the Elie Wiesel Foundation.

In his brief remarks, Wiesel praised the president for his recent success in the Persian Gulf. "Thanks to you, Mr. President, small nations feel more secure," he said. "Thanks to you, evil has been dealt a dramatic blow."

The author and Holocasut survivor added that "Spiritually, I claim Israel's destiny as my own. I do not live in Israel. And yet I cannot imagine living without Israel....We are confident that persuasion rather than pressure, trust rather than suspicion, will continue to govern your relationship with Jerusalem, whose prophetic message is at the heart of its legacy."

When asked by a reporter how the president should pursue a Middle East peace,

Elie Wiesel looks on as President Bush answers reporters' questions in the Oval Office Monday.

Photo by Ira Schwarz

Wiesel responded that the president should "be himself, a man who listens...What I would like the president to do, of course, is to listen to Israel's fears, just as Israel should listen to the President's hopes."

In what turned into an impromptu press conference on the prospects of Middle East peace, the president said that "the climate for fulfilling some of these hopes is probably better than it's ever been."

However, the president warned that he does not want to send a message that "you can wave a magic wand and solve all" of the region's problems.

Bush is the second recipient of Wiesel Foundation's Humanitarian Ward, after Danielle Mitterand, wife of French president Francois Mitterand. Wiesel launched the foundation in 1986 with the money he earned as recipeint of the Nobel Preace Prize.

Wiesel also presented Bush with a *tzedakah* box and explained the concept of *t'rumah*, donations.

In an interview with the *Washington Jewish Week* after the ceremony, Wiesel said Bush was also worthy of recognition because "from the Jewish viewpoint, I was very very moved when he [as vice president] took the initiative to save the Ethiopian Jews. He went out of his way...I felt he deserved something."

During his last visit to the White House, the Wiesel eloquently objected to then-President Reagan's upcoming trip to the German cemetery at Bitburg where the remains of Nazi SS officers were buried. ■

Aerospace
Industries
Association

Don Fuqua
President

March 22, 1991

Mr. Jack Rosenthal
Editorial Page Editor
The New York Times
229 West 43rd Street
New York, NY 10036

Dear Mr. Rosenthal:

Your March 21 editorial, "Bizarre Priorities on Arms," confused two separate, distinct issues: future arms transfers to the Middle East and a limited export credit guarantee program for exports of defense equipment.

The administration proposal to provide an export credit guarantee program for defense exports would parallel the program the Export-Import Bank currently operates to help producers of commercial products compete in the international marketplace. Oil exporting countries in the region pay cash for their defense purchases, and if they need credit, can obtain it from international capital markets without foreign credit guarantees. Other countries in the region are either uncreditworthy or off limits. Thus, the only Middle East country that might benefit from a guarantee program is Israel.

All of the major competitors to the U.S. have government credit guarantee programs for their defense products. As a result, U.S. companies have lost defense sales in countries such as Venezuela, Indonesia, Malaysia, and our NATO ally Turkey, or been forced to produce their products offshore in countries that do provide such financing.

The U.S. defense industry recognizes that it will have to adjust to reduced defense budgets over the next few years. Other countries will have to increase their ability to defend themselves as the U.S. reduces its military presence overseas. Foreign sales of U.S. equipment to friendly nations can help respond to both these needs.

Aerospace Industries Association of America, Inc.
1250 Eye Street, N.W., Washington, D.C. 20005 (202) 371-8400

The aerospace industry certainly supports efforts to bring about regional arms control. However, we fail to see how the cause of peace is advanced, or national purposes served, when we lose sales of defense equipment to our competitors because we are unable to offer the same credit facilities as they provide. Lastly, it is woefully naive to believe that if the United States unilaterally decides not to sell arms overseas, that all other foreign suppliers will follow suit.

Sincerely,

Don Fuqua

THE NEW YORK TIMES, THURSDAY, MARCH 21, 1991

Bizarre Priorities on Arms

It's a propitious moment to curb arms sales. Iraq has just demonstrated the perils of arming states to the teeth in the Middle East. And arms buyers and sellers are looking to Washington for leadership. But instead of trying to negotiate restraints, President Bush seems eager to reopen the Middle East arms bazaar. It's up to Congress to reverse his priorities.

Responding to pressures from U.S. defense contractors and their Congressional backers, Mr. Bush wants the Export-Import Bank, a Government agency, to underwrite sales of arms to states that can't afford them by guaranteeing up to $1 billion in bank loans. That would supplement the loan guarantees the Pentagon already provides.

And just weeks after forgiving billions in loans to Egypt, Mr. Bush intends to sell it $1.6 billion in new weapons. That deal represents just a fraction of the $18 billion in arms that the Administration is planning to sell to the Middle East in the coming year.

Oddly, in his speech to Congress on March 6, Mr. Bush put a high priority on curbing chemical, biological and nuclear arms in the region. But he said nothing about conventional arms, which suggests that he has yet to learn one of the larger lessons of the Persian Gulf war: in this unstable region, arms have a nasty way of outlasting alliances. Congress can get him to reconsider. It can hold up the Egyptian sale and vote down the Ex-Im Bank credits.

Why the rush to sell more arms? For one thing, the defense budget is on the way down, and U.S. arms makers are lobbying hard to boost sales abroad to offset declining Pentagon purchases. For another, the gulf war alarmed Turkey, Saudi Arabia and other states in the region, sharpening their appetite for weapons.

Defense Secretary Cheney even tries to justify the sales as a way to minimize U.S. presence on the ground. But he overlooks the Saudi Army's tentative performance in the war, which suggests that even new weapons won't enable the Saudis to defend themselves. And he ignores purposes other than self-defense that new weapons could serve buyers. Just look at Iraq.

Other circumstances make a rare opportunity to slow arms trafficking. Hungry buyers now want American-made weapons. Thus the usual argument that they will turn elsewhere if the U.S. doesn't satisfy their needs may not apply. Impressed by preliminary reports of U.S. technological prowess, buyers are less likely to settle for second-best.

That gives Washington extra leverage on its competitors in the arms market to cooperate in trimming sales. And other suppliers, like the Soviet Union, seem ready to cooperate.

Middle Eastern buyers will also have trouble paying for new arms. Egypt and Turkey are in poor shape economically. Israel is preoccupied with providing for the resettlement of Soviet Jews. Even oil-rich Saudi Arabia is borrowing to pay its share of the costs of the gulf war.

Seldom has the chance to restrain arms peddling been greater than it is today. If President Bush wants a really new world order, he could start by trying to negotiate constraints on arms sales.

Allstate®

Allstate Plaza
Northbrook, Illinois 60062

Wayne E. Hedien
Chairman of the Board and
Chief Executive Officer
708 402-7087

January 23, 1991

TIME Magazine Letters
Time & Life Building
Rockefeller Center
New York, NY 10020

To the Editor:

I strongly disagree with your assessment of President Bush (Time, January 7). You equate a lack of legislation with a lack of leadership. To me, leadership means getting others -- community leaders, citizens, corporate America and the media -- involved in solving our country's problems.

During the past two years, we have worked closely with President Bush and his cabinet members on major issues such as AIDS, housing, and education. We find the President and his staff cooperative and willing to provide the necessary support -- and leadership -- to help solve these critical problems.

Building a better America is everyone's responsibility, and the President correctly realizes to be successful in his role he's got to provide the leadership that encourages everyone to pitch in. He's doing that!

Sincerely,

Wayne E. Hedien

dc

THE RECREATION ROUNDTABLE
"Recreation isn't a special interest; it's everyone's interest."

January 10, 1991

Letter to the Editor
TIME Magazine Letters
Time and Life Building
Rockefeller Center
New York, NY 10020

Dear Editor:

Your articles on President, Time's Man of the Year, leave me puzzled.

Do you believe that the positive recognition you provide for George Bush's remarkable international successes must be offset by exaggerated criticism of his actions on the domestic front to provide balance? I certainly disagree with your criticism -- and with your decision to overlook his accomplishments in the environmental arena.

The President was the 1990 recipient of the Sheldon Coleman Great Outdoors Award, an award created in honor of my late father, "the lantern man." His selection for the award -- by a blue-ribbon panel of highly regarded national conservation leaders -- recognized the President's love of the outdoors and his vigorous actions to create and protect the Wallop-Breaux Fund to restore our sport fisheries, his support for the President's Commission on Americans Outdoors and its recommendations, his support for volunteerism in our parks and his leadership on major environmental initiatives for clean air, wetlands, parks and wildlife. Your articles ignored these achievements completely.

You are certainly entitled to your opinions on George Bush. Having talked with the President about the outdoors and the environment, and having seen the results of his actions, though, I disagree with you strongly when it comes to the environment.

Sincerely,

Sheldon Coleman
Chairman

1331 PENNSYLVANIA AVENUE • SUITE 726 • WASHINGTON, D.C. 20004 • (202) 662-7420

American Recreation Coalition

Dedicated to the protection and enhancement of every citizen's right to pursue health and happiness through leisure-time activities.

January 10, 1991

Letter to the Editor
TIME Magazine Letters
Time and Life Building
Rockefeller Center
New York, NY 10020

To the Editor:

We applaud your selection of George Bush as Man of the Year. His skillfull leadership in the international arena is properly applauded. But how can you be so dismissive of his leadership on environmental issues?

Without President Bush's initiative, the far-reaching 1990 Clean Air legislation was doubtful. Without his leadership, funding for the management and protection of our public lands would have been far below current levels. Funding for recreation, trails and wildlife programs in our national forests has doubled in three years; federal funding for sportfish restoration has soared to more than $200 million each year; volunteerism to aid federal, state and local public lands is at the highest level ever; the national forests and BLM lands now boast thousands of miles of scenic byways, created at little cost from existing but little-used timber and mining routes.

The President's call for "no net loss of wetlands" sparked the new Coastal Wetlands Restoration Act and progress on the North American Wetlands Plan. He has supported his people who have acted to block Two Forks Dam in Colorado and to protect the Northern spotted owl.

Perhaps his international work has eclipsed his domestic initiatives in significance. But disparaging and ignoring important positive environmental achievements steps is neither fair to your readers nor President Bush.

Sincerely,

Derrick Crandall
American Recreation Coalition

Henry Diamond
Beveridge & Diamond

Pat Noonan
The Conservation Fund

DAC/mks

Suite 726 • 1331 Pennsylvania Ave., N.W. • Washington, D.C. 20004 • (202) 662-7420 • Fax: (202) 662-7424

151 Farmington Avenue
Hartford, CT 06156

James T. Lynn
Chairman

January 29, 1991

TIME Magazine Letters
Time & Life Building
Rockefeller Center
New York, NY 10020

Ætna

Dear Sir:

Your criticism of the President's lack of an expansive domestic program misses the point that the transcendent domestic problem facing our Nation is the massive federal budget deficit. Until we get that under control, new spending programs would either require higher taxes--which no one seems to want--or greater debt, which reduces private investment, jobs and international competitiveness. To his credit, the President did act on the budget deficit--effectively, and with room for measured growth in meeting domestic needs.

Sincerely,

James T. Lynn

James T. Lynn
Chairman

JTL/rd

DUCKS UNLIMITED INC.

NATIONAL HEADQUARTERS
One Waterfowl Way
Long Grove, Illinois 60047
(708) 438-4300

WASHINGTON OFFICE
1155 Connecticut Avenue NW
Suite 800
Washington, DC 20036
(202) 452-8824

January 25, 1991

Letters to the Editor
TIME Magazine
Time and Life Building
Rockefeller Center
New York, NY 10020

Dear Editors:

I would like to commend you for your selection of President George Bush as Time's "Man of the Year." However, I was a little mystified by your treatment of the President. While your article did a good job of pointing out Bush's initiatives and accomplishments internationally, your article failed to acknowledge the important strides that the President has made in the environmental arena. Your mention of White House involvement in the battle for cleaner air was a mere footnote in comparison to the work and leadership shown on that issue by the President and his Administration. In areas closer to the heart of our organization, you make no mention of Bush's leadership on curbing the destruction of wetlands.

In his 20th week as President, Mr. Bush made a major environmental statement before an audience of 800 national conservation leaders at Ducks Unlimited's Sixth International Waterfowl Symposium. There he reaffirmed his campaign statement declaring that the ceiling had been reached and promised a goal of "no net loss" of wetlands. The President went on to urge Congress to present him with a bill supporting the goals of the North American Waterfowl Management Plan that year. Leaders in Congress responded to the President's call and on December 13, 1989 he signed the North American Wetlands Conservation Act into law. Since then the President's budget has requested full funding to implement that Act at the levels authorized by Congress.

More recently, the President activated a White House Domestic Policy Council Task Force to develop a national policy of no-net-loss. The Task Force held hearings throughout the country late last year and is now working towards consolidating the data and ideas collected and folding them into a plan to implement the President's goal. The U.S. Department of Interior's Fish and Wildlife Service has already issued a wetlands action plan to support the President in achieving no net loss.

These are small examples of the strides the federal government has made under the leadership of President Bush for the protection of wetlands. The President has worked hard to stem the tide of wetlands loss which has already resulted in half of this country's wetlands being lost since colonial settlement.

By bringing this issue to the fore and initiating action, President Bush has already established himself as a leader in wetlands conservation. I believe that the President deserved more recognition for his conservationist agenda, along with recognition of the progress he has made for the U.S. in the international arena.

Sincerely,

John E. Walker
President

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
09. Memo	From Ede Holiday to John Sununu Re: EC Oilseeds (1 pp.)	4/2/91	~~P-5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Fast Track 1991 [5]

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 10/28/05

Date Closed: 1/4/2005	**OA/ID Number:** 29156-005
FOIA/SYS Case #: 1998-0004-F[2]	**Appeal Case #:**
Re-review Case #: 2005-0426-S	**Appeal Disposition:**
P-2/P-5 Review Case #:	**Disposition Date:**
AR Case #:	**MR Case #:**
AR Disposition:	**MR Disposition:**
AR Disposition Date:	**MR Disposition Date:**

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

fast-track

THE WHITE HOUSE

WASHINGTON

AC/ER

April 2, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: EDE HOLIDAY

SUBJECT: EC Oilseeds

THE CHIEF of STAFF has seen

A longstanding dispute with the EC over oilseeds is heating up again, and could lead to retaliation. The dispute dates back to a 1962 GATT negotiation, when the EC committed to abolish its duties on imports of oilseeds.

During the late 1960's and early 1970's, the EC established internal support systems for rapeseed, sunflowerseed, and soybeans. These systems operate through a subsidy provided to oilseeds crushers. The catch is that the subsidy is available only for oilseeds of Community origin.

The United States has filed and won a GATT complaint that the subsidy is contrary to GATT rules banning discrimination against imports. In December 1989, the EC accepted the GATT's verdict. It planned to fix the problem in the context of implementing the Uruguay Round results. The U.S. does not want the delay in the Round to be used as an excuse for EC inaction on oilseeds.

Last week, the Trade Policy Review Group agreed to send the EC a firm letter asking that the oilseeds problem be fixed in the Community's 1991 farm price package, which must be concluded by early June. The U.S. will also use the April 23 meeting of the GATT Council to criticize EC inaction.

The TPRG postponed a decision on whether to threaten retaliation, though quiet staffwork will begin on possible retaliation lists. Any decision to retaliate would be reviewed by the Economic Policy Council.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
10. Memo	From Roger Porter to John Sununu Re: Fast-Track and the Environment (2 pp.)	4/4/91	~~P~~5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Fast Track 1991 [5]

Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 10/28/05

Date Closed:	1/4/2005	**OA/ID Number:**	29156-005
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P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

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THE WHITE HOUSE

WASHINGTON

AC/ER

April 4, 1991

CHIEF of STAFF
seen

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: ROGER B. PORTER RBP

SUBJECT: Fast-Track and the Environment

The Administration's environmental action plan is crucial to winning the fight for an extension of the fast-track. The key issue is likely to be who leads the negotiations -- State or EPA.

In contrast to the labor unions, it has been clear from the beginning that the environmentalists are not firmly committed to defeating the fast-track. Instead, they are seeking to leverage the fast-track debate into a commitment from the Administration to address Mexican environmental problems in the context of the North American free trade agreement (NAFTA). It now appears likely that several key environmental groups may endorse NAFTA if the Administration comes forward with a reasonable action plan on the environment.

Fearing the loss of environmental support, the labor unions reportedly are spreading rumors that the Administration has caved in completely to the environmentalists and agreed to a sweeping environmental agenda. Their goal is to get the White House to intervene and kill the draft action plan.

Based on my discussions with him, Bill Reilly fully supports a fast-track extension and is working responsibly to bring the environmentalists around. This requires a delicate balance. The environmentalists want the Administration to pressure Mexico by directly linking trade and environmental standards. While the Salinas Administration has been responsive on pollution issues and faces domestic political pressure to clean up Mexico City, it is understandably sensitive about being forced by the U.S. into a sweeping new environmental agenda. Thus, it is important that our action plan not only be credible, but avoid an implication that it forces concessions on Mexico.

The draft action plan being developed by an interagency group basically builds on existing bilateral environmental initiatives and includes the following:

- <u>Border Plan</u>. Last year, the President and President Salinas directed Bill Reilly and his Mexican counterpart to prepare by the end of this year a comprehensive plan for addressing pollution problems on the U.S.-Mexico border.

- Mexico City. In 1989, the U.S. and Mexico signed a technical assistance agreement aimed at controlling pollution in Mexico City.

- Enforcement. The most important new action plan initiatives relate to Mexican enforcement. They include bilateral cooperation, U.S. technical assistance, and data sharing.

- NAFTA. While most environmental initiatives will be on a separate track, the action plan will list numerous issues that can be dealt with in the NAFTA. These issues relate primarily to enforcement of U.S. health and safety standards and are traditionally part of trade agreements.

In my view, there is a strong argument for giving Bill Reilly the assignment to lead the environmental negotiations. Because EPA has credibility with the U.S. environmental community, it is in a good position to sell the action plan and whatever bilateral agreement is eventually negotiated.

While striking the right balance always is an issue, my sense is that EPA will act responsibly in negotiations with the Mexicans and would run into severe resistance if it pressed an extremist environmental agenda on the Mexican Government. To date, EPA's ideas for the negotiations have been constructive and designed to defuse the issue. Finally, EPA appears to have a good relationship with SEDUE, the Mexican environmental agency, which could be helpful in producing a credible agreement in a relatively short period of time.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
11. Memo	From Frederick McClure to POTUS Re: Attached Letter regarding "Fast Track" Authority (1 pp.)	3/12/91	~~P5~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Fast Track 1991 [5]

Open on Expiration of PRA
(Document Follows)
By JF (NLGB) on 10/28/05

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AR Case #:	**MR Case #:**
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THE PRESIDENT HAS SEEN
3/18/91

THE WHITE HOUSE

WASHINGTON

91 MAR 12 PM 7:07

March 12, 1991

COPY
from ORM

MEMORANDUM FOR THE PRESIDENT

FROM: FREDERICK D. McCLURE Fm

SUBJECT: Attached Letter regarding "Fast Track" Authority

Attached is a letter from Senator Lloyd Bentsen (D-TX) and Representative Dan Rostenkowski (D-IL) regarding fast track authority. The letter recognizes the necessity of your having this authority in order to negotiate trade agreements. At the same time, the letter expresses the concerns that have been raised on the Hill regarding disparities with Mexico: in particular, the chairmen ask that the Administration address concerns about disparities in environmental standards, health and safety standards, and worker rights.

It is my understanding that Rostenkowski originally wanted to make the suggestion that we consider bifurcating fast track authority, i.e., separating Mexico from the continuing GATT negotiations. We, however, discouraged him from making this suggestion.

Rostenkowski has indicated to Carla Hills and my staff that he wants to talk to you in person about the fast track request (NOTE: Rostenkowski missed the trade meeting we had with Congressional leaders). It is my view that you should initiate a telephone call to Rostenkowski, asking him to come down for breakfast or coffee one day early next week.

Attachment

223335

Congress of the United States
Washington, DC 20515

March 7, 1991

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

On March 1, you officially notified the Congress of your request to extend the so-called fast-track procedures for implementation of trade agreements. As you know, unless either the House of Representatives or the Senate passes a disapproval resolution before June 1, 1991, such procedures would be automatically extended for agreements entered into during a two-year period ending on June 1, 1993. This authority would be applicable to bilateral or multilateral trade agreements, including the proposed North American free trade agreement and completion of the Uruguay Round.

We recognize that extension of such authority is necessary if the Administration is to have any credibility in pursuing negotiations within either a multilateral or bilateral context. You should be aware, however, that this process will not be easy.

A number of Members of Congress have expressed concern about the proposed extension of fast-track authority, particularly as it applies to the proposed free trade agreement with Mexico. They have identified a number of legitimate concerns that, in our judgment, should be addressed in a meaningful way before Congress considers the extension of fast-track authority. Specific concerns include the disparity between the two countries in the adequacy and enforcement of environmental standards, health and safety standards and worker rights.

While we recognize that issues such as these are not typically addressed in a trade agreement, we believe that such issues need to be addressed in this case, either within the agreement itself or through some appropriate alternative context, within the same time frame as the trade negotiations.

The time period for Committee deliberations on the issue of the proposed extension of fast-track procedures expires on May 15. We, therefore, request that you provide us, by May 1, your thoughts on how the Administration intends to address these and other relevant issues. Such an action plan is essential to the Congress as we deliberate on your fast-track request. More importantly, successful implementation of such an action plan is likely to be exceedingly critical when and if the Congress considers approval of any trade agreement which results from the negotiations. Whether such an agreement is ultimately approved by the Congress will depend on an assessment of whether the agreement has a net positive effect on jobs and wages in the United States.

We also strongly believe that the Administration should not commit itself to an unrealistic time frame to conclude the negotiations. Some Administration officials have publicly stated that they expect the negotiations with Mexico and Canada to be concluded by the end of this year. We do not believe that such a time frame recognizes the complexity of the issues that need to be addressed. Thus, we urge the Administration to use whatever time period may be necessary to resolve the numerous issues critical to the economic interests of the United States, which will serve to maximize Congressional support for the ultimate agreement.

Finally, as you know, it is absolutely essential that the Administration consult fully with the Congress on these and other important issues throughout the negotiations.

We look forward to working with you on these important issues.

Sincerely yours,

Lloyd Bentsen

Lloyd Bentsen, Chairman
Committee on Finance
United States Senate

Dan Rostenkowski

Dan Rostenkowski, Chairman
Committee on Ways and Means
U.S. House of Representatives