Presents Continued Problems

SIOUX FALLS, S.D. — The key to improving the North American Free Trade Agreement (NAFTA) will be in the side agreements according to a panel discussion on trade at the National Farmers Union (NFU) Convention.

Mike Dunn, NFU vicepresident for government relations, who moderated the discussion, reported that U.S. Trade Representative Mickey Kantor had told him flatly that NAFTA would not be renegotiated due to President Clinton's support of the agreement; however, Clinton would allow side agreements to NAFTA to deal with unresolved issues on environmental, labor, and other concerns.

Katherine Brunett, the legislative aide on trade to Senator Alan Simpson (R-WY), said such side agreements currently would not be subject to "fast track" rules. Under fast track, Congress can only pass or reject the entire NAFTA package as proposed without amendment. Fast track authority expires June 1, 1993.

North Dakota Farmers Union (NDFU) President Alan Bergman said U.S. negotiators were outnegotiated in the U.S.-Canadian Free Trade Agreement with the result that producers of durum wheat and other commodities have been hurt.

Bergman reported U.S. imports of Canadian durum have risen from no imports in the mid-1980s to the point where they are now the equivalent of almost twenty five percent of the domestic market. He said Canada has discovered it is more profitable to compete in the U.S. domestic market than to compete with the U.S. in the international marketplace.

The NDFU president explained that the U.S. export enhancement

program helps maintain a higher priced domestic market, therefore making it attractive for Canadians. Bergman warned that U.S. farmers may suffer further under the proposed NAFTA trade agreement with Mexico.

Oklahoma Farmers Union President Phillip Klutts expressed concern over increased imports of live cattle from Mexico under NAF-TA. He also questioned whether consumer safety could be properly maintained with food imported from Mexico, where health and sanitation standards are lower than those in the United States.

Brunett said, "I would urge you to tell President Clinton to come up with a domestic program before reaching any trade agreement." She suggested that President Clinton was proceeding too quickly with too many changes in domestic agricultural policy, including increased taxes on energy and income and reductions in agricultural spending. She expressed concern whether the U.S. was weakening its farm programs before it completes negotiations with other nations to do the

Tom Mahr, legislative aide on trade to Senator Kent Conrad (D-ND) said few senators are yet overly-concerned with NAFTA He indicated the agreement would easily pass in the Senate if a vote were held today. Concern will likely increase as more of the ingredients are known and as the side agreements are developed, he added

The panelists agreed that the current sugar provisions within NAFTA are unacceptable. Brunett pointed out that PepsiCo had reportedly invested \$57 million toward developing a corn sweetener industry in Mexico. She said domestic sugar products are

concerned that Mexican sugar exports to the U.S. would increase dramatically as Mexico develops its corn sweetener industry.

The panelists also basically agreed that agriculture was being sacrificed under NAFTA to gain benefits for other sectors of the national economy.

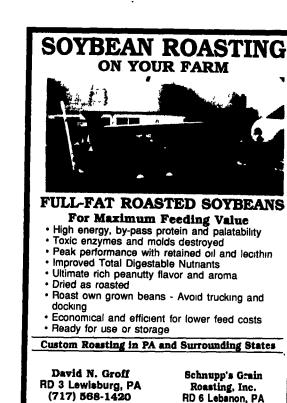
They also expressed concern that Mexico could become a springboard for exports to the U.S. from other countries. Mahr pointed out that any disputes regarding rules of origin must be taken to the country of origin and not the U.S. He indicated that leg-

al costs involved in such cases could cost in the hundreds of thousands of dollars. "Strong rules of origin exist, but how do we enforce them?" Mahr asked.

Burnett contended that NAFTA

would help stop the flow of job from the U.S. to Mexico as Mex ico upgrades its standards, making it less attractive for industry to relocate there. However, other panelists challenged the conten-

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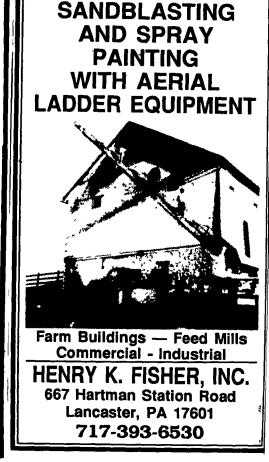


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