

**Remarks by Secretary of Commerce Donald L. Evans
at a Meeting with the National Cornrowers Association**

July 16, 2001

Washington, DC

[As Prepared For Delivery]

Thank you, Ken (Mehlman, Director of Political Affairs and Assistant to the President).

Good morning. We thank you for taking the time to be here with us for matters that are important to your families, your businesses and to this nation. We also appreciate the wonderful support we have had from you.

Tim Hume (president-elect of National Corn Growers Association and corn grower from Walsh, Colorado), has been a real help to us...backing the International Trade Legislative Agenda and being with us last month to kick off the administration's campaign to secure TPA. This support is certainly appreciated.

We all know that trade and the tools we need to promote it - among these, Trade Promotion Authority (TPA) - are about future progress and prosperity. And there will be no progress or prosperity without a sound energy plan for the future.

Trade and Open Markets

Certainly, there is a strong economic case to be made for continuing to open global markets. America has always been a trading state, and, in purely economic terms, it's in our nation's best interests to pursue free and open markets. We remain the world's preeminent exporter of goods, services and investment. We also benefit from the stimulus of foreign competition and investments in our country, as well as U.S. investments abroad.

Trade liberalization has been a key factor in the longest period of sustained economic growth in our nation's history. U.S. exports accounted for nearly one-quarter of the economic growth we experienced during the past decade.

And no sector of our economy is more export-dependent than agriculture. Exports account for more than 25 percent of farm income. Corn growers, specifically, are heavily dependent on trade since about 20 percent of your corn production is exported and corn exports support about 55,000 jobs. So...you certainly understand the vital need for our nation to remain a leader in the global marketplace.

Not all Americans share your understanding of the importance of trade and commerce. We have to get out there and relay the message that trade creates jobs and opportunities for millions of Americans...that trade means a better quality of life for all.

Tell folks what NAFTA has meant to your industry. Tell them that agriculture exports to Mexico have doubled since the inception of the agreement. Tell them how your industry has benefited from the Uruguay Round and the establishment of the World Trade Organization, where dispute settlement mechanisms have allowed eight agriculture related cases to be heard and six settled in favor of the United States. Tell them that without the opportunities afforded in the global marketplace, the American people would not be as well fed by their agriculture industry...by you. They need to know that the opportunities you have abroad to create profits and jobs benefits them at home with better and more abundant food American products and more stable, prosperous communities supported by farm incomes. International trade is truly about local prosperity.

But trade is not just about economics. As President Bush says, it's a moral imperative. Trade helps create the habits of liberty that profoundly affect peoples' views of themselves and their society. With freedom comes the responsibility to account for one's own actions and the obligation to demand government policies that unleash human potential. Freedom is best served when governments promote individual success allowing people to provide for themselves and their families. Free and open trade is a foundation for democracy, social freedom, social responsibility and political stability. It's about human freedom and a higher quality of life for all.

Trade Promotion Authority

A key element in making progress toward these goals is rebuilding a consensus in support of opening markets. The vehicle to do that is Congress' grant of Trade Promotion Authority. The grant of this authority by Congress to President Bush is crucial to demonstrating to our trading partners that this nation is going to lead on free trade; that we are going to lead in opening up markets around the world; and lead not only in strengthening our own economy; but also lead in strengthening the global economy.

This administration welcomes the fundamental role Congress plays in setting our trade policies under the Constitution. In fact, what TPA really provides is a vehicle to ensure that Congress and the President work together, cooperate and have agreed on negotiating objectives. Our intent is to work closely with Congress in a partnership of mutual trust, respect and certainty.

It's critical we do so because we're falling behind our trading partners in opening new markets. There are more than 130 free trade agreements in the world today, and the United States belongs to only two. The European Union has trade deals with 27 countries, 20 of which it completed in the past 10 years. Last year, the EU and Mexico - the second largest market for American exports - entered into a free trade agreement. The EU is negotiating another 15 accords right now. Canadian goods sell in Chile for a lower tariff than do American goods because we have not finished negotiating a free trade agreement with Chile.

It's time to get off the sidelines and get back into the game. The President intends to press forward bilaterally, regionally and multilaterally to expand trade and the accompanying economic opportunities it creates for the American people. And to be fully successful, we need Trade Promotion Authority.

Energy

But to be a force in the global marketplace we also have to be strong in the fundamentals of our economy. And no area is more important in this regard than energy.

Years of neglect and lack of a national energy policy have led to today's higher energy prices and to a dangerous imbalance between supply and demand. And things could get worse. Over the next 20 years, U.S. oil consumption is likely to rise by 33 percent, natural gas consumption by more than 50 percent, and demand for electricity will rise by 45 percent.

You know all too well what I'm talking about. America's farmers are struggling under the weight of increased energy prices. Surging natural gas prices have increased the cost of fertilizer by 90 percent since 1998. Diesel prices, as well as those for propane, are also up. These higher fuel and oil prices accounted for more than one-third of the \$7.6 billion increase in farm production costs last year.

The President recognized the need to tackle this problem head-on...and is doing so. By using 21st century technologies to promote conservation, increase energy supplies, and modernize our outdated energy distribution system, the President's National Energy Policy will promote dependable, affordable and environmentally sound production and distribution of energy for America's future.

Among other things, the guiding principles of his National Energy Policy call for a diversification of energy sources in order to expand the use of alternative and renewable energy. This means you're likely to see more demand for alternative fuels like ethanol, which is expected to consume an estimated 650 million bushels of corn this year. This is equal to 7 percent of total corn production.

Ethanol production benefits the nation in four important ways: it gives us a clean fuel and improves air quality; it increases corn prices and farm income; it creates jobs and economic activity in rural America; and it lessens our dependence on foreign sources. This final benefit also has the added advantage of improving the balance of trade.

And this brings us back full circle to the value of trade; the need for liberalized markets; and why we need your continued support of Trade Promotion Authority. It's about the future - as epitomized by a product like ethanol - and it's about the present needs of your families, friends and neighbors, who are carrying on the great tradition of American farming in this nation today.

We appreciate all you have done to stand with us and we look forward to our continuing partnership in efforts to promote U.S. leadership in the global marketplace.

Thank you.