

[3/3/78-Not Submitted] [CF, O/A 548]

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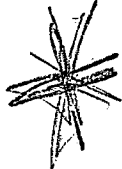
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WASHINGTON

DATE: 03 MAR 78
FOR ACTION: BOB STRAUSS

*Steve Landy / 4/26
learn with
add back*

*DF - Staffing
done by*



*Task force to discuss action; letters out saying IP!
will call them 4/27 w/ exp date*

INFO ONLY: STU EIZENSTAT
ZBIG BRZEZINSKI

JACK WATSON

SUBJECT: BERGLAND LETTER RE AGREEMENT WITH MEXICO UNDER SECTION
204 OF AGRICULTURAL ACT TO RESTRAIN MEXICAN EXPORT OF
TOMATOES TO U.S.

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +

ACTION REQUESTED: INDEFINITE STAFFING

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

MAR 02 1978

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

Dear Mr. President:

I am enclosing correspondence I recently received from tomato growers and shippers in Florida requesting or supporting a request that you seek to obtain an agreement with Mexico under section 204 of the Agricultural Act of 1956 to restrain Mexican exports of tomatoes to this country. Section 204 enables an interested party to petition you directly to negotiate with foreign countries agreements limiting the export from such countries for importation into the United States of any agricultural commodity.

These letters were addressed to me but should have been addressed directly to you for your consideration. I suggest that you follow past practice and refer the letters to Ambassador Strauss for review. This Department will, of course, be prepared to fully assist the Ambassador on this matter.

Respectfully,

A large, stylized handwritten signature in black ink, appearing to read "Bob Bergland".

Bob Bergland
Secretary
Enclosures

Vegetables

APR 25 1978

Mr. Wayne Hawkins
Executive Vice President
Florida Tomato Exchange
Post Office Box 20635
4401 East Colonial Drive,
Orlando, Florida 32814

Dear Mr. Hawkins:

This is in further reply to your request to the President that we initiate negotiations with the Government of Mexico under Section 204 of the Agricultural Act of 1956, for the purpose of limiting the importation of tomatoes into this country.


I have asked my staff to study the problems faced by Florida tomato producers in some depth. They are currently examining data and other information so that we may fully understand the exact nature and cause of the present difficulties.

In the meantime there are a number of remedies which are available to Florida producers to deal with situations such as that related to imports of tomatoes from Mexico. For instance, under Section 201 of the Trade Act of 1974, the President is empowered to grant import relief if the International Trade Commission determines that injury to producers has been caused by imports. Action could also be taken under the Anti-Dumping Act of 1921, as amended by the Trade Act of 1974, if it is determined that there are any dumping violations. Both of these actions have the advantage of being consistent with our international trade obligations under the General Agreement on Tariffs and Trade (GATT). This unfortunately is not the case with Section 204 actions.

I very much understand your concern and have asked my staff to continue working with you and other producers to gather the information necessary to reach an appropriate decision.

I appreciated the opportunity to speak with you about this issue during your recent visit to Washington, and understand members of my staff were also able to meet with you to discuss these matters. I have instructed them to follow the issue closely and to keep me fully informed. Thank you again for writing.

Sincerely,


Robert S. Strauss

DRAFTED BY:SSCHWAB:jt 4/17/78
Official/Reading/Chron

THE WHITE HOUSE
WASHINGTON

MAR 78

ATTENTION: BOB STRAUSS

INFO ONLY: STU EIZENSTAT

JACK WATSON

ZBIG BRZEZINSKI

SUBJECT: BERGLAND LETTER RE AGREEMENT WITH MEXICO UNDER SECTION
204 OF AGRICULTURAL ACT TO RESTRAIN MEXICAN EXPORT OF
TOMATOES TO U.S.

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

ACTION REQUESTED: INDEFINITE STAFFING

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

MAR 9 1973

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

Dear Mr. President:

I am enclosing correspondence I recently received from tomato growers and shippers in Florida requesting or supporting a request that you seek to obtain an agreement with Mexico under section 204 of the Agricultural Act of 1956 to restrain Mexican exports of tomatoes to this country. Section 204 enables an interested party to petition you directly to negotiate with foreign countries agreements limiting the export from such countries for importation into the United States of any agricultural commodity.

These letters were addressed to me but should have been addressed directly to you for your consideration. I suggest that you follow past practice and refer the letters to Ambassador Strauss for review. This Department will, of course, be prepared to fully assist the Ambassador on this matter.

Respectfully,

Signed

Bob Bergland
Secretary

Enclosures

FLORIDA TOMATO EXCHANGE

"A Nonprofit Agricultural Cooperative Association"

Telephone (407) 824-0071

February 7, 1978

The Honorable Robert Bergland
Secretary of Agriculture
U. S. Department of Agriculture
Independence and 14th Streets
Washington, D. C. 20250

03 31899

AMS

SEC. 1033

78 FEB 15 P 1:51

Dear Secretary Bergland:

It has been two weeks since I sent you a Mailgram explaining the disastrous effect that unrestrained imports of Mexican tomatoes are having on the Florida Tomato Industry by totally shattering the United States pricing structure for this commodity. I explained that the situation was desperate and asked your help in recommending a solution to the problem. To date, I have not received a reply from you.

The situation has become more desperate. I told you that from January 15 through January 23 Florida shipped 636,804 30-pound equivalents of tomatoes while Mexican imports totalled 1,319,794 30-pound equivalents. Updating these figures to include shipments through February 6, 1978, Florida has shipped 1,901,863 and Mexican imports total 3,695,745. The price being asked for Mexican imports is much less than the price being quoted for Florida tomatoes. In fact, the price for Mexican imports is considerably below costs of production in both Florida and Mexico. Many of the Mexican tomatoes are being sold on the cuff all over the United States and you, as an agriculturist, know what this does to any market.

The Florida Tomato Exchange on behalf of its members who represent about 80 percent of the volume of fresh tomatoes shipped from Florida each year respectfully requests through you that the President of the United States, under the authority contained in Section 204 of the Agricultural Act of 1956, seek to obtain an agreement with Mexico limiting the export from that country and the importation into the United States of fresh tomatoes since domestic producers are being adversely affected by increased and excessive tomato imports from Mexico.

During recent years, imports of fresh tomatoes into the United States from Mexico have increased to such an extent as to disrupt the market for tomatoes produced in the United States. This increase in imports has been caused in large part by lower costs of production in Mexico, especially in wages paid to agricultural employees, which it is the policy of the United States to maintain at relatively higher levels than other countries. Because of this unfair disparity in costs of production which exists in Mexico by reason of the payment of substandard wages, it is practically certain that imports of fresh fruits and vegetables will continue to increase and further destroy the market for tomatoes produced in the United States.

The Honorable Robert Bergland

-2-

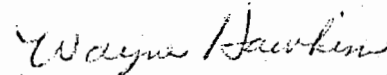
February 7, 1978

This problem has been well documented in recent years and is known to the United States Department of Agriculture, the International Trade Commission, the United States Department of State, the Special Representative for Trade Negotiations, the Committee on Ways and Means and other responsible officials and groups who have been concerned with foreign trade. It is therefore not my intention to burden this formal request with evidence of a problem that is already a matter of record.

The Exchange further respectfully suggests and recommends that before initiating such an agreement with the Mexican government that those authorities in the United States government who will be empowered to effectuate these negotiations seek the advice and counsel of representatives of the Florida Tomato Industry who have been affected by these imports in order to arrive at fair and just terms that will provide for orderly marketing. Any agreement reached should include quantitative limitations on the amount of fresh tomatoes imported into the United States that will avoid injury or threat of injury to domestic producers and the economy in the American areas of production affected by the importation of Mexican tomatoes.

We urge that this request be given immediate and favorable consideration since any further delays in appropriate action on the part of the United States government to resolve this problem will be disastrous to the affected segments of our agricultural economy.

Sincerely yours,



Wayne Hawkins
Executive Vice President

WH:mjc

cc: Florida Congressional Delegation
Florida Tomato Exchange Membership