REMARKS BY THE HONORABLE BENJAMIN L. CARDIN*

Thank you very much for the opportunity to be here today. It is a pleasure to be here with my friend, Jim Kolbe. He is one of the leaders in Congress on internationalism, and he knows how to reach across party lines to get things accomplished.

Let me give you a little background about myself. I was elected to Congress nineteen years ago. I represent a community that includes the Port of Baltimore. The Port of Baltimore contributes about $1.5 billion to the Maryland economy. Approximately 15,000 direct jobs and many more indirect jobs are related to the port.

Trade is vitally important to my constituency and to me personally. The first major speech I gave upon being elected to Congress was about expanding trade opportunities and talking about free and fair trade.

Until this year, I had supported every trade agreement that came before Congress during my tenure. For example, in recent years, I supported NAFTA [North American Free Trade Agreement] and the Uruguay Round; free trade agreements with Chile, Morocco, Australia, and Singapore; and Permanent Normal Trade Relations status for China. I believe trade agreements can expand opportunities for workers, farmers, and businesses, and I am pleased to have the opportunity to work on trade issues more closely as current Ranking Member on the Ways and Means Trade Subcommittee.

The subject of this Symposium is the future of the Doha Development Agenda Round of WTO negotiations. In order to be able get into a discussion of how the Doha Development Agenda can be concluded successfully, I think you first have to understand what happened with CAFTA [Central America Free Trade Agreement]. If you just gloss over the CAFTA debate rather than learn from what went wrong, I think consideration of the Doha Round in Congress could become another CAFTA.

First, as the senior Democrat on trade issues on the Ways and Means Committee, let me start by talking about the Democratic Party and our views on trade. We believe in the expansion of trade and we want to be part of the process of promoting fair trade and opening markets. We understand the practical necessity of Congress delegating to the President the authority to negotiate trade agreements, with the knowledge that this is a practical method to implement them upon their completion. But in exchange for granting the President "trade promotion authority," as it is known, the Executive Branch must truly involve Congress—and not just Democrats or just Republicans—in the process of negotiating agreements.

In recent years, there has not been the type of give and take with members of Congress on the Democratic side that is necessary to maintain bipartisan support for trade agreements in this country. We want to be consulted

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on expanding trade opportunities—whether it be on agriculture, services, or manufactured goods. We want to be consulted with regard to negotiations about the operation of trade remedy laws. We want to be consulted about ensuring trade agreements that improve labor standards and workers rights internationally. These are important issues to the Democratic Party, and we want our trade agreements to reflect these priorities.

When the Administration negotiates a trade agreement without working with, and listening to, the leaders of the Democratic Party on these issues, it causes us to take a position we would prefer not to take. And that is what happened on CAFTA.

Let me give a few more details. Since 1984, the United States has conditioned trade preferences provided to Central American countries under the Generalized System of Preferences (GSP) and Caribbean Basin Initiative (CBI) on the Central American countries making progress towards attaining basic labor standards. Yet, CAFTA dropped even this basic requirement.

Under CAFTA, the one enforceable provision in the chapter on labor required only that countries enforce their own laws with regard to workers' rights. This "enforce your own laws" provision has been the standard language in trade agreements negotiated by the Bush Administration. So, by dropping the labor condition in GSP and CBI, and replacing it with the weak "enforce your own laws" standard, we gave away the leverage we had to improve the conditions of workers in the Central American countries.

Democratic members of Congress were not consulted on the Administration's position on workers' rights in CAFTA, and when we looked at these labor issues, we found that the Administration had crossed the line. We could not say in this case that the Administration had done the best it could to negotiate a strong labor chapter in CAFTA, and so we were not willing to support the agreement.

I hope we learn from CAFTA so that the same mistakes are not made with regard to the Doha Round. I think it is critically important that we have a successful Doha Round. To me, the Doha Round should be the Administration's top priority. I am afraid that we have been distracted recently by too many other trade issues, and as a result, we are way behind any reasonable time frame for concluding the Round.

Let me go over the key issues. First, agriculture has become the linchpin for whether we will be able to move forward with a successful round. This may not be the best way for the Round to be framed from the U.S. perspective, but that is how it has been framed. If we are unsuccessful in negotiating an aggressive framework on agriculture, then everything else will be more difficult to accomplish.

I should point out that EU Trade Commissioner Peter Mandelson and EU Agriculture Commissioner Mariann Fisher Boel visited with the Ways and Means Committee this week. It was striking that you could not tell the difference between Democrats and Republicans during these meetings; there was a unified

position of disappointment with the manner in which Europe is proceeding on the agricultural front.

The United States wants to see aggressive movement on agricultural tariffs; particularly among those countries with higher tariffs. It is not just a matter of reducing tariffs, but also narrowing the disparities between the tariffs applied by different countries on agricultural goods.

Another difficult issue in the agriculture negotiations involves domestic subsidies. It is a tough issue, not just on the substance, but also in terms of making quick decisions given the jurisdiction over agriculture issues in Congress. The one area where you'll get unified support in Congress is if you tamper with jurisdictional issues in Congress. The House and Senate Agriculture Committees take pride in their jurisdiction over agricultural issues. Yet, the U.S. Trade Representative is going to be in position at some point in the near future where he has to make difficult decisions under a short deadline, and he will have to consult with about fifty members before he can move. Depending on the circumstances, that may make it difficult to move in an aggressive manner.

A second area of our concern in the Doha Round relates to manufactured goods. I wish this was a higher priority. I represent a district in which manufactured products are critical to the economy, and international change is important to open up markets for our products. And yet, several of our traditional allies in the WTO—those who we would think would help us with an aggressive reduction of tariffs—have not made the reduction of tariffs on industrial goods a priority. So, even on manufactured products, reaching a successful conclusion in the Doha Round is going to be tough.

Another area that is, or should be, a high priority for the United States is non-tariff barriers. In several countries, non-tariff barriers present a barrier to our exports that is as big, or bigger, than barriers posed by tariffs. Yesterday, we had a hearing on Japan in the Ways and Means Committee, where Japan's long history of using non-tariff barriers to keep out foreign imports was the subject of intense discussion.

We don't have too many hearings where the Ranking Member and Chairman seem to agree on nearly everything—but the hearing yesterday on Japan was one of those rare occasions. There was a genuine disappointment among all the Committee members about the lack of progress made between the United States and Japan on non-tariff barriers. Representatives of the insurance industry, medical equipment industry, and auto and auto parts industry all testified before the Committee, and across the board, the witnesses detailed the non-tariff barriers that are restricting American companies' access to the Japanese market.

Another area that is particularly important to me is services and the unfair restrictions that U.S. service providers face in foreign markets. Services represent an increasing proportion of the U.S. economy and U.S. employment. To me, the Doha Round will be judged in large part based on what we do to expand markets on services.

Let me mention one final issue, which is particularly important for me to

raise as the Ranking Democrat on trade in the House of Representatives, and that is the rules negotiations. These negotiations on the rules regarding antidumping and countervailing duties and safeguards typically come last in WTO negotiations. However, no matter when these issues are confronted in the Round, it is important to recognize that the outcome of the rules talks will send a signal to the Congress about whether the Administration has really been listening to Congress about priority issues.

I can tell you outright that the Congress will not support efforts to weaken our antidumping or countervailing duty laws. This issue could be a deal-breaker. If, at the end of the day, the Administration comes to Congress with an agreement that weakens our trade rules, it could be a deal-breaker—meaning that Congress may not approve the agreement. And, unfortunately, I am very concerned about the way things currently are headed in the rules negotiations, because our traditional partners, those countries that typically have supported our position, are either sitting on the sidelines or lining up in opposition to the U.S. position. The United States is being isolated in these talks, and that is not encouraging.

Let me end on an optimistic note. I have a great deal of confidence in Rob Portman as our new U.S. Trade Representative. He comes from the Congress and the Ways and Means Committee, and has a reputation of working with those on both sides of the aisle. He has the talent and energy to make the Doha Round a success. I can tell you as the Ranking Democrat on the Ways and Means Committee that I am prepared to work with Rob Portman. We have worked together on many issues in the past. I also am prepared for give and take. I understand that in a negotiation, we cannot expect to get everything we want.

Even with Rob Portman, the success of the Doha Round is going to depend on the hard work of a lot of people, including those of you in this room. It also will take work to make sure that the Administration listens to Congress about the issues that are important priorities for this country. We cannot lose energy arguing among ourselves.