

**Opening Statement
Senator Evan Bayh**

**“A Hearing on Recent U.S. Trade Agreements”
Friday, June 18, 2004**

Mr. Chairman, thank you. I apologize for running a little bit late, but I do want to welcome our witnesses here today, Linda welcome. Ron, it's good to see you again, I was telling the chairman earlier today on the phone about the years that we enjoyed working together in Indiana, so Mr. Chairman the people of Indiana are proud that one of our own would rise to a level to head such an August organization as the United Auto Workers, so Ron so I want to compliment your work on behalf of working people for all these many years and say it's just good to be with you again. And I'm wondering if the Committee, Mr. Chairman, is running a little bit low on funds, we couldn't afford a name sign here for Mr. Ruther, but perhaps we'll, he's too modest, Mr. Gettelfinger, much too modest.

Just very briefly, I would like to echo the concerns of my friend and colleague Senator Stabenow. This is an issue, as Mr. Gettelfinger would know very well, that resonates in the state of Indiana. We have the, Mr. Chairman, the state of Indiana has the highest per capita percentage of manufacturing of any state in the United States of America. So when we talk about the adverse consequences of illegal trade practices on manufacturing, it hits home in Indiana. Just the big three and their first tier suppliers alone employ 60,000 people in our state. And so this resonates across our state and communities large and small, and there has been a lot of pain and suffering because of some of the things that have been taking place. And it's not just an issue for individuals and individual families; entire sectors are being affected, and indeed our entire economy is being affected.

And I'll just mention two things because in spite of appearances we're here to hear from you and not the other way around, but I'll just mention two things. Senator Stabenow was touching on it, where this is going for our country. Our trade deficit is now at an unsustainable level, every economist agrees with that. I was asking Alan Greenspan about that earlier this week and he said he issued a report, Mr. Chairman...he's up for reconsideration...reappointment for head of the Fed, and he said that they are focusing on things that could destabilize our country. He mentioned specifically the possibility of another act of terrorism, and he said there are other things we're worried about. Well when my time came to question him, I said well I'd like to ask you what some of these other things are. And he didn't want to get into too many details, he didn't want to scare people. I said well let me suggest some things then. The trade deficit has grown to a point where its unsustainable as a percentage of our economy, we're hemorrhaging money to the rest of the world, and we're in a position of actually having to borrow from other countries' central banks to fund our own government. This affects our sovereignty, so where all this is heading, is that we will have a lower currency, which will lead to inflation, higher interest rates, lower investment, productivity, and ultimately a lower standard of living because we're...for our people...because we are allowing this trade imbalance, these unfair practices to just continue without any redress. That's where this thing is ultimately heading. So it's going to affect, not just people in the manufacturing sector, not just those of you who represent working

men and women in the manufacturing sector, it's going to affect the entire country if we allow this to continue. So let there be no illusion, nobody's going to escape the consequences of these trade imbalances and some of the unfair practices that are taking place.

The final thing I'd like to say is, again to echo what I had a chance to hear Senator Stabenow say, and that is that my...you know I go across our state and I talk to a lot of working folks, and what I hear consistently is, they don't mind competition, I mean when you talk about global competition they say bring it on, we're prepared to compete with anybody on a level playing field. But there is a strong suspicion backed up by a lot of evidence that the playing field just is not level. To use an analogy that the people of Indiana can understand, Mr Chairman, it's a little bit like saying, let's play a game of basketball, and you know, our team, you know our team will shoot at the regular ten-foot hoop, but the other team they're gonna get to shoot on an eight-foot hoop, oh and by the way, the referee's a cousin of the captain of the other team, and this is not what you'd call a fair and free competition, but too often that's what we've got.

So I hope we can talk a little bit today about some of the subsidies that take place, some of the currency manipulations that take place, some of the other things that distort trade, make it not free trade, but managed trade, and in essence, mean that working men and women in our country are paying the price for industrial policies in other countries. As they try and create jobs and investment there, we're bearing the consequence of that, and it's not right for the individuals, it's not right for the companies, and it's not good for our society as a whole. So I welcome all of you, I look forward to hearing from you, and again Mr. Chairman I would like to thank you for your leadership in conducting this hearing today.