

**Opening Statement**  
**Senator Byron L. Dorgan**  
**Chairman, Democratic Policy Committee**

**Hearing on Administration's Trade Agreement Agenda**  
**Friday, June 28, 2004**

Good morning. I've called this hearing because we need to have a serious, honest discussion about trade issues—and that discussion has been sorely lacking.

Let me give you an example of what I mean.

Exactly one month ago, with great pomp and circumstance, U.S. Trade Ambassador Bob Zoellick signed a trade agreement that aims to eventually integrate our economy with those of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

Ambassador Zoellick described this as a “cutting edge” agreement, and issued a press release claiming that CAFTA would be good for “workers, manufacturers, consumers, farmers, ranchers and service providers.”

But on the very same day, Ambassador Zoellick told the Washington Post that the Administration would not seek Congressional approval of CAFTA until after the November elections. Mr. Zoellick said that he hoped CAFTA “might be approved in a lame-duck session after the election.”

If CAFTA is such a great agreement, why is the Administration so eager to change the subject? Why not debate the agreement now, before the election?

I think that the CAFTA agreement will mean more of the same misery that NAFTA has brought us: the movement of good U.S. jobs to low-wage countries that don't protect their workers or the environment. The Administration obviously disagrees. But they are not willing to come forward and have that debate.

Just last week, the Post had an article entitled “El Salvador Scarred by Child Labor.” The subheading says “Subsistence Work in Sugar Cane Fields Leads to Injuries, Continuing Poverty.” The story describes a 14-year-old boy named Jesus Franco, whose body is covered with scars from working in sugar fields since he was 7 years old.

I would have loved to ask Ambassador Zoellick why he thinks our economy should be integrated with that of El Salvador and the other Central American countries, and why our workers should be asked to compete with children like Jesus. But Mr. Zoellick declined our invitation to appear today.

The Administration has also been negotiating a free trade agreement with Thailand. Ironically, last week the Department of State last week released a report describing child exploitation in 10 nations—and Secretary Powell singled out Thailand as an example.

In fact, Secretary Powell recounted the story of an 11-year-old girl named Kahn, who was kidnapped from her home and taken to an embroidery factory in Thailand, where she worked 14 hours a day just for food, with no wages. Secretary Powell said, quite correctly, that “this is called slavery.”

But our trade officials apparently think that our workers should compete with children like Kahn. Just don't expect to have that debate before the election.

The one agreement the Administration seems willing to send to Congress for a vote before the election is a deal with Australia. I look forward to having at least that debate, because the Australian deal is another example of boneheaded trade policy.

Australia has virtually no tariffs on U.S. products. In fact, Australia is one of the very few countries in the world with whom we have a trade surplus. On the other hand, Australia is a major agricultural producer, with surplus stocks of a number of commodities that could destabilize our agricultural markets and kill off countless family farms. Why on earth would we make it a priority to negotiate an agreement with Australia?

We have so many trade problems that we should be dealing with, and are not. We have a deficit of over \$130 billion with China. We have massive trade imbalances with Japan, Korea, Mexico, and Canada. Just this month, we had the announcement of yet another record trade deficit—\$48 billion in just one month! A growing number of economists are warning of a potential crisis in confidence because of these deficits.

Why not deal with those problems first, before flying off to Australia to fix a trade relationship that isn't broken?

The fact is that our trade officials have only one measure for success: the paper weight of the trade agreements they negotiate. They don't care what goes into these agreements, as long as they can announce that they have been busy cutting deals.

The American people need to know when their interests are being traded away, in backroom negotiations half a world away.

Here is an example of how difficult it is to get to the bottom of these trade deals. The Administration has prepared a report that discusses the likely impact of CAFTA on the American economy. That report was classified by the White House. I asked for a copy, but was told that the report was so secret that members of the U.S. Senate would not be allowed to view it.

But last December, the head of the Central American Sugar Producers Association dropped by my office for a courtesy visit, to make a pitch for CAFTA. This gentleman had been involved in the CAFTA negotiations, and had sat across the table from our U.S. trade officials. During his visit, this gentleman casually mentioned that he had obtained a copy of that secret U.S. government report.

How is it possible that a foreign negotiator had obtained a copy of a classified U.S. government report – a report that an elected representative of the American people was denied access to?

I asked our trade ambassador, Bob Zoellick, that very question. I am still waiting for an answer. But if you look at the text of the CAFTA agreement, it's not hard to believe that our negotiators showed their cards to the other side.

Our witnesses today will help us to understand the potential impact of trade agreements like these.