

June 30, 2005

Don't Balance Free Trade on U.S. Workers' Backs

Senator Byrd delivered the following remarks during debate of the legislation to approve "CAFTA" – the Central American Free Trade Agreement.

On April 6 of this year, Senator Dorgan and I introduced S. Res. 100, a resolution to prevent a two-year extension of the so-called "fast-track" or "Trade Promotion Authority," which the Congress granted the Administration in the Trade Act of 2002. If our resolution were approved, existing fast-track negotiating authority would expire this year. If only it would! Wouldn't it be ideal if it would expire? But, instead, it will be extended through 2007. And that is a crying shame.

Senator Dorgan and I introduced our resolution of disapproval of fast-track, because we oppose giving any Executive the unfettered authority to negotiate trade agreements like CAFTA, which cannot be amended by the Congress. I opposed fast-track when it was used to negotiate the NAFTA; I opposed it when it was used to negotiate the Uruguay Round; and I oppose it today.

Let me restate what I have said so many times in the past -- something that I think people are finally beginning to comprehend: Article I, Section 8 of the U.S. Constitution states that the Congress, not the Executive, shall have the power to regulate Commerce with foreign nations. And under Article I, Section 7, the Senate is permitted to "propose or concur with" amendments to all revenue bills.

But under fast-track -- this trumped-up, power-grab called fast-track, which is now disingenuously called "Trade Promotion Authority," the Congress is left with no ability to modify the text of these trade agreements. As a result, they are negotiated by a small band of bureaucratic gnomes accountable to no one. Under fast-track, the Congress cannot modify, amend, or delete any section of trade agreements negotiated by USTR. Congress is excluded from the process; cut out of the loop; cast aside like excess baggage; shunned like a scarlet woman.

But unlike Nathaniel Hawthorne's Hester Prynne who had to sport only

one letter as a symbol of her wrongdoing, the shamed in this story should be forced to wear three letters to highlight their humiliation. And those letters are TPA, which stands for “Trade Promotion Authority.”

Fast-track negotiating authority is an abomination. Is this what we think the Founding Fathers had in mind when they created our three separate branches of government? Blind adherence to agreements negotiated behind closed doors, dictated word-for-word by only one branch of the government? The Executive? That’s not what the Constitution says: it says that the Congress shall regulate foreign commerce.

But the Congress, like blind mice or hyperactive lemmings, time and again keeps making the same mistake. It approves fast-track. Each agreement negotiated under fast-track destroys more American jobs and leads our nation into deeper deficits. The overall U.S. trade deficit in 1993, when NAFTA was enacted, was \$75.7 billion. Today, it’s nearly \$700 billion. Back in 1993, we had a trade surplus with Mexico of \$2 billion. Last year, we ran a trade deficit of \$45 billion with Mexico. The facts speak for themselves. Were these some of the promised benefits of NAFTA? Sky-high trade deficits?

Since NAFTA and the Uruguay Round were negotiated under fast-track, the U.S. has lost thousands of manufacturing and service jobs, a substantial portion of which have been “outsourced” to Mexico, India, and China, leaving U.S. workers without jobs; without health care; and with diminished pensions. I have seen it happen first-hand, in West Virginia. It’s happened in our steel industry, in the aluminum industry, in the glass industry, in the communications industry; in the special metals industry, the furniture industry, and in textiles and hand tools. Were these the promised benefits of NAFTA and the Uruguay Round? Who could have foreseen that these agreements would cause such massive dislocation and grief? Who? Those of us who wisely voted against them. I did, and so did about a third of the Senate. But the majority back then refused to see what was coming. I hope they recognize what they see today.

Administrations like to allege that because they sometimes deign to “consult” with the Congress on fast-track trade agreements, their “consultations” satisfy the need of Congress to be involved in drafting the text of these agreements. But we all know what a sham this is!

Despite all the assurances we heard during the 2002 trade debate, I have been told that even Members of the Senate Finance Committee – the Senate Committee that is charged with jurisdiction over trade matters – have been shut out of substantive consultations on CAFTA.

Since only certain Members of the Finance Committee are part of the Congressional Oversight Group, which was supposedly created in 2002 to “consult” with the White House, other Senators on the Finance Committee who are not a part of that group have rarely been consulted on CAFTA at all. What kind of consultation is that?

Similarly, the majority-controlled Senate Finance Committee refused to hold a hearing on the TPA resolution of disapproval that Senator Dorgan and I introduced in April. The Committee also refused to discharge the resolution so it could receive an up or down vote on the Senate floor. You hear that a lot around here -- this demand for an up-or-down vote. Well the Senate leadership refused to give our resolution an up-or-down vote. Instead, they killed it in committee, despite a written request asking for its discharge that was sent by Senators Dorgan, Graham, Rockefeller, Johnson, Levin, Inouye, Dayton, and me.

The proponents of fast-track, TPA, and CAFTA argue that by expanding free trade in Central America we will help the workers in those countries become more stable and less of a national security threat. That’s what we were told about NAFTA. But what happened? Did NAFTA stabilize immigration? No. Since NAFTA was implemented, the number of those migrating illegally to the United States to seek work has doubled. Perhaps this is because the wages of Mexican workers have declined, and the number of people in poverty there has grown.

Yet the Administration wants us to enact another NAFTA, this time called “CAFTA,” which the AFL-CIO tells us will not require its members to maintain or improve their labor laws, or to protect the core labor rights of their workers.

The Administration continues to negotiate these failed free trade agreements, when it should be focusing on the real trade crises that face our nation.

For example, while the Administration has been spending its resources on these agreements, it is doing nothing to address our nation’s enormous trade deficit, which soon will surpass \$700 billion.

The Administration also refuses to bring WTO cases against other countries that violate international law, yet it acquiesces when the WTO unfairly and deliberately twists international rules to strike down our own laws. In fact, the current Administration has taken only 12 cases to the WTO in over four years, compared with its predecessor, which filed

an average of 11 WTO cases per year.

USTR sits idly by while the WTO tries to undermine or eliminate our most critical trade laws, including the Continued Dumping and Subsidy Offset Act (CDSOA) – also known as the Byrd Amendment. A strong majority of the Senate supports the Byrd Amendment, and this law will not be repealed or modified in response to the WTO. In fact, in the Fiscal Year 2004 and 2005 Consolidated Appropriations Acts, both Houses of Congress directed the Administration to start negotiating a solution to this WTO dispute. In response to this congressional mandate, the Administration in early 2004 submitted a proposal to a negotiating group in Geneva to reverse this WTO ruling against our law. But the Administration has done nothing to advance those negotiations since April 2004. It needs to stop stalling and start solving this problem.

History shows that it is a big mistake for the Congress to cede its authority to negotiate trade agreements to the Executive, because the outcome of those agreements can have disastrous consequences for American industry.

How much more negative history and flawed consequences must our nation suffer before we wake up and realize that fast-track has been a disaster? Instead of negotiating more unfair trade agreements like CAFTA, we should be fighting aggressively to preserve our nation's trade laws and to protect America's workers and their families.

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