

Rep. Charles Rangel, Ranking Democrat of the House Committee on Ways and Means, and Rep. Sander Levin, Ranking Democrat of the Ways and Means Trade Subcommittee, issued the following joint statement today (December 17, 2003) on the USTR announcement concerning negotiations on a Central American Free Trade Agreement:

"There are 9 million Americans out of work. Since President Bush took office, America has lost almost 3 million jobs in the manufacturing sector. We have a tax code that promotes sending more of these jobs overseas and proposals by some Republicans in the Congress would provide even more tax breaks to corporations that take jobs overseas. Meanwhile, under this Administration's anemic economic policies, we can not replace the jobs that we are losing.

"We try to work with the Bush Administration on free trade agreements concerning different nations and regions because we believe trade can increase jobs here if the agreements are sound. But every time, the Bush Administration refuses to include basic, internationally-accepted working standards for workers. Without basic labor standards, trade agreements will not mean more jobs here in the U.S. and workers overseas will not have the ability to bargain for better conditions and wages and eventually enter the middle class. Instead of better standards of living here and abroad, we will have a race to the bottom.

"We need free trade, but also fair trade. This so-called "deal" appears to continue to protect some farm sectors that already have high protection, such as sugar, but does nothing for American manufacturing workers or workers overseas. The laws and practices of these four Central American nations do not meet basic international standards, so an 'enforce your own law' standard only means that they will perpetuate their already poor standards to gain unfair commercial advantage over American workers.

"The absence of these standards, especially the ability of workers to join together and bargain for a fair share of the economic pie, is bad for those workers and their families trying to lift themselves out of poverty, is bad for their nations that need to develop stronger middle classes, and it is bad for U.S. workers, businesses, and farmers, who want to expand international markets for American goods within a framework of competition that is not built on the suppression of workers.

"A Central American agreement affecting trade and competition should promise a basis for expanding a mutually beneficial relationship the U.S. has enjoyed with nations of the region for over 20 years. This was the successful approach taken with the Caribbean Basin Initiative. On the other hand, an agreement based on the suppression of workers is unjustified, unnecessary, and will be unsuccessful if offered to Congress.

"Furthermore, it is unclear that there is even a deal at all. There are two countries to be included in the CAFTA for which negotiations have not yet been completed - Costa Rica and the Dominican Republic. These countries account for 43% of the GDP of the CAFTA and over 50% of U.S. exports. Additionally, critical details on numerous issues remain unresolved - including U.S. access to the CAFTA markets in numerous services sectors; the details of safeguards mechanisms that will regulate trade in various sensitive agriculture products, including sugar; the

rules for appealing arbitrators decisions in challenges by foreign investors to government environmental regulations.

"The Administration is missing an opportunity to craft an agreement that could garner broad bipartisan support, is failing to forge a meaningful partnership with this important region, and is failing to tackle the tough issues necessary to compete effectively with China and other nations in textiles and apparel."

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