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Contact: Dan Virkstis
202-224-4515

Breaking Trade's Taboos
Remarks Before the Emergency Committee for International Trade
By Senator Max Baucus

The author Henry Miller once said: "Whenever a taboo is broken, something good happens, something vitalizing."

For too many in today's trade debate, it has become a taboo to recognize hard truths.

It has become taboo for many to acknowledge the many shades between trade's black and white.

It has become taboo for business to admit that there are positions between free trade and protectionism.

It has become taboo for labor to admit that international trade can be good for workers.

It has become taboo for policy-makers to admit that some trade agreements have not turned out as we predicted they would.

And it has become taboo for some trade partners to call the United States anything other than a bully.

But these taboos and hard truths are exactly what we must address in our trade debate today.

We are all part of this national debate. It is a debate that continues to fuel the presidential race. It is a debate that features prominently on editorial pages. And it is a debate that we hear on TV news.

We must listen, and we must respond. Yet as important as listening to what is said today is hearing what is not said. We do not hear the hard truths.

We have left unsaid the uncomfortable issues and let them harden into unspoken taboos. Those issues that we do not discuss are exactly those we should address.

As long as we leave the difficult problems unspoken and our taboos unbroken, our nation's debate will be incomplete. And our common goals will remain unrealized.

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Each of us has an obligation to face up to the taboos unique to our interests. All stakeholders — the business community, organized labor, policy-makers, and our trading partners — have an obligation to say what they would rather leave unsaid.

Let's start with the business community. For too long, too many in the business community have approached international trade as a zero-sum game. Trade is either something that you are for, or something that you are against. You either carry the pro-trade mantle, or you wear the scarlet letter of protectionism.

Too often, trade agreements come in equally stark terms. Each and every trade agreement — whether with Oman, Peru, or Colombia — is pushed as if our \$14 trillion economy would fail without it.

The idea of improving and strengthening past agreements is derided and rejected as backdoor protectionism.

Trade's realities are more complex. The fact is, not everyone wins with trade. Some workers, companies, and industries do get hurt in the short run. Jobs are lost, factories are shuttered, and sometimes entire towns can suffer. Saying so does not make you a protectionist.

Trade agreements are critical to our economy. But we should be able to acknowledge that our economic health does not hinge on any single deal.

Incremental steps do matter. But treating every agreement as having equal importance to our economic health is neither honest nor credible.

Furthermore, updating and changing our trade agreements to reflect today's economy is not protectionist. It can make good sense.

Organized labor has its own taboos to break. For too long, labor unions have made trade the scapegoat for our economic challenges. Too often, even our best trade agreements are portrayed as harmful to American workers.

To posit trade as against the American worker is neither fair nor true.

The fact is that international trade and trade agreements do create and sustain jobs for American workers.

The truth is that American workers can and do compete internationally.

The reality is that a trade agreement with our 45th-largest trading partner is not the root cause of our economy's shortcomings and difficulties. Indeed, technology changes and other factors trigger far more job losses than trade.

Trade's policy-makers also have taboos to break.

While advancing our trade agenda has been a net positive for the United States economy, some of our predictions of its virtues have not come true. Trade proponents should admit that the North American Free Trade Agreement did not stem illegal Mexican immigration, as some had promised.

China has proved a difficult trading partner. It has presented challenges on subsidies, market access, intellectual property, and currency on a scale that few could have predicted.

At the same time, policy-makers on the other side of the debate cannot deny that trade agreements are an easy target for complex economic woes.

Finally, our trading partners have their own taboos to break. The United States is neither the bully nor the barrier that they make us out to be.

Including tough protections for labor, environment, and intellectual property in trade agreements is neither a U.S. dictate nor a disguised form of protectionism.

Rather, such conditions set the course for economic development that is sustainable, not fleeting.

The United States should not bear the blame alone for stalled international trade talks. Nor should the lack of fast-track negotiating authority bare the blame.

Blame lies at the feet of many negotiators, including those representing developed and developing economies. And our trading partners should not complain when America seeks to enforce the rules of the trade agreements that they have signed.

Addressing these unspoken taboos of international trade is key to advancing our nation's trade debate. It is key to advancing our trade agenda. And it key to restoring a consensus on international economic policy.

We each have a role — the business community, organized labor, policy-makers, and trading partners.

Breaking our trade taboos will help us come together around new ideas, common principles, and mutual goals. Breaking our trade taboos will help end today's us-versus-them mentality and renew the truth that everyone can agree on — that trade can work for all of us.

A better approach to our ideas and arguments will help us to move toward better actions and policies. And we can all do better in areas that go beyond trade agreements.

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The business community can do more to train its employees for the jobs that they have today and those that they will need tomorrow.

Labor unions can better engage their employers and policy-makers on a common economic agenda.

Policy-makers can work harder to resist quick-and-easy answers to problems that in fact demand long-term and complex solutions.

And our trading partners can stop playing the victim, and start playing ball.

Taking on these issues is not just talk. Taking on these issues will help to clear the way for completing our pending trade agenda — an agenda that includes my top priority, a robust and reformed Trade Adjustment Assistance program. Taking on these issues can clear the way for the pending trade agreements.

And taking on these issues can clear the way for more innovative initiatives — initiatives like: a plurilateral agreement in intellectual property, sectoral agreements in green goods and services, large regional and multilateral trade agreements, a services agreement with the European Union and Japan, and long-term policies that secure our global economic competitiveness.

And so, when it comes to the debate on trade, let us take Henry Miller's advice, and break our taboos. Let us make something good happen. And let us revitalize our debate, our economy, and our great nation, for generations to come.

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