

Press Roundtable with U.S. Trade Representative Robert B. Zoellick

Santo Domingo, Dominican Republic

January 14, 2004

ZOELLICK: Well first let me thank all of you for being with us today. And I want to make sure that you had a chance to also meet Congressman Weller, who is on our key trade committee called the Ways and Means Committee in the House of Representatives. He's been a very strong supporter of open markets and free trade. And he also serves on our International Relations Committee where he has devoted much time and attention to the Western Hemisphere. I believe this is his third visit to the Dominican Republic. And I wanted to make sure all of you have met Regina Vargo, the lead of our negotiating team, and that brings me to the real purposes of my visit.

As all of you are aware, we are starting this week a round of negotiations. As we have people here from some eight U.S. government agencies. And that team will be here all week working with our Dominican counterparts. But there is an equally important aspect of my visit. Which is to have an opportunity to listen and to learn by talking to different people here. Obviously, I met with the President and key members of his cabinet, but I also had an excellent session with legislative leaders of both branches, had a chance to have lunch, that the Ambassador hosted, with a group of people from the business community, as the Monsignor mentioned, I just finished with a group, which he was kind enough to put together, from civil society. I had a chance to visit this port operation that CSX is putting together, even meet some of the longshoremen that will be working there.

And then tomorrow morning we are arranging some meetings with the two primary opposition candidates because I realize it's a time of elections here. So while we're working with the government as we do in other countries, we're trying to talk to a broad cross-section of society just as people do with us, since we're having elections as well.

A point that I have sought to emphasize is that we see this as much more than a trade agreement. We see this as part of a larger partnership that is focused on development, opportunity, even hope. And in that context, we of course, recognize that the Dominican Republic has gone through an extremely difficult period in 2003, with the banking crisis. That your Congress has had to make some very difficult decisions in terms of the budget, banking legislation, now trying to complete the program with the IMF. And so, one element of what we hope we can help to do is, as that agreement is completed, to try to work with the IMF and the other international financial institutions to have the appropriate financial support. And indeed, I had a chance to talk with our secretary of the treasury last week before coming down, Secretary Snow, and I will talk with him again when I come back because that is a key aspect of stabilization and a foundation for growth.

Now some people may ask, and this is what I discussed with members of Congress, given all these difficulties we have with our budget and financial situation, is it too much of a challenge to take on a trade agreement too?

But my view is the exact reverse. As I've said with a number of different people I've met with, the world will not stop. There are things taking place in Central America and the Caribbean, there are changes taking place in the Western Hemisphere, there's changes taking place globally. And in reality, while the financial steps can help stabilize this situation, what will be important is creating the framework for future growth and opportunity.

Now, how can the trade agreement help do that? Well it helps lock in access to the largest market in the world. That has an effect on investors. We also have as provisions in these agreements, since they are very comprehensive, opening of services, investment rules, very importantly, rules that add to the transparency to the society that make it harder to have corruption - anti-bribery provisions.

As many of you know, and you've seen this in economies and countries around the world, it's often protectionism that serves the benefits of a small oligarchy, people that are controlling things. And they like to keep that control. It's opening the system to competition and challenges that creates opportunity for small business people and others who are willing to compete in the open sunlight. So that's part of also, what these trade agreements are about.

But if I talk about the changes taking place, yes, today the Dominican Republic has good access for about 80 percent of its goods under the Caribbean Basin Initiative, but the Central American economies will have 100 percent of their goods under the CAFTA agreement, and, together we're going to have to deal with challenges such as the end of the multi-fiber agreement quotas at the end of 2004.

The Caribbean Basin Initiative created a deeper integration. Dominican Republic has taken some good advantage of that with some of our textile producers, your apparel production. This has happened in Central America too. It's happened somewhat in Mexico, but the real challenge will be China and India. So what we try to do in this agreement is deepen the integration with Central America, Mexico, Canada, the United States, and we hope with the Dominican Republic.

So as we look toward creating new jobs and new opportunity, we hope that the comprehensiveness of this agreement will create a climate that will draw investors, who after all, could choose from places throughout the world. And we hope that this will help emphasize that the Dominican Republic is a good place to invest, and that creates the support for the ongoing economic reform policies.

Now just a couple other points in particular that I'm sure come up with you or have heard. Some people have asked me, "Well you negotiated this agreement with the Central Americans, so what are you doing with Dominican Republic? Are we just being presented with this agreement?" And it might help you to understand, when we do a free trade agreement, it works off a basic framework. So this framework is very similar to Chile and Singapore and, obviously the framework of Central America, but of course we will customize. And what the negotiations are about are particular provisions dealing with agriculture, consumer and manufactured goods, services, investment, textile and apparel, government procurement. There's a lot of work to do.

And a special effort we also try accompany it with trade capacity building, so as to help the Dominican Republic take more advantage of the agreement and the openness. But in addition, since we've been working closely with Secretary Guzman and others, even as we concluded the Central American agreement, we tried to incorporate some provisions that we knew would be of interest to the Dominican Republic.

So this may be a little bit of a technical item, I'd be happy to explain it more if you wish, but your free trade zones are very interested in retaining something called the duty drawback. And what it means is, if they bring inputs into a zone they manufacture them and send them out, that they can return the duty that was paid to bring them in. It helps an export-processing zone, but because of that, sometimes people don't like to keep those provisions but we kept that in the CAFTA and would [inaudible] for the Dominican Republic.

There are some other particular provisions that the Dominican Republic - some exceptions you have for export subsidies under WTO rules, we kept those. Some special standards issues you have an interest in, and of course, as we will be discussing in the negotiations, there are provisions in agriculture that recognize the sensitivities of these sectors in all our economies and allow some rather long adjustment periods and quotas and what we call safeguards which means if a great amount of the product comes in too quickly, you can for a time period, increase the tariff so as to deal with that surge of imports.

So in reality, the agreement we've negotiated is a good framework, as it will be for other countries around the world. It has some elements already for the Dominican Republic and part of our work over January, February, March is to try to complete it.

Now another question we get is, Well, why the rush? Why are we doing this so quickly? The answer to that really is as follows: When we first discussed the possibility of a free trade agreement with the Central American economies, they had the advantage that the five Central American economies have their own economic integration agreement. Panama, for example, hasn't been a part of that, and they have the interest of a different type of economy, more of a service economy. But frankly, the five Central Americans had progressed further in dealing with some issues like customs rules and transparency arrangements and intellectual property. And so when President Mejia first talked to me about a free trade agreement, I said we would like to help the Dominican Republic but I need to see some progress, because it doesn't - these aren't just signing your name on a piece of paper, these are complex arrangements. We need to know you're serious about them. And to his credit, and to his leadership, and also with Secretary Guzman and others of the Cabinet, they frankly demonstrated their seriousness, and we felt that the Dominican Republic is a good partner that we want to give that opportunity.

But we also have procedures with our Congress, and that's one reason why it's helpful for Congressman Weller to be here. We have to give certain notices before certain periods of time before we can even sign an agreement or submit the agreement. And so what we frankly, customized from the start, was to say to the Dominican Republic, we will seek to integrate you into the Central American agreement, but we will need to customize the provisions with these market access and investment issues and you need to be prepared to

do it so we can fit you into the agreement to bring it to our Congress during this year. So that is why we are focusing on the particular time.

Now another good question that I got in the NGO session is to say, well yes, But this is an election year, and who knows whose going to win. So does it make sense to negotiate? And I first said, this is one of the problems, if you will, of a democracy. It's our election year too, so maybe people will say you shouldn't negotiate with us. The reality is, if you look at the calendar of elections around the world, somebody's always changing. So if you took that approach, nothing would get done among democracies.

But we, of course, have to compensate for reality. And that's one reason why I wanted to meet members of your congress of both parties. That's why, in addition to meeting the government, I met with the opposition leaders. That's why I'm meeting as broad a cross-section as I can in the time I'm here, from the business community, civil society because ultimately the source of political legitimacy is the society operated through your congress with whoever is in the executive branch.

So that's how frankly, it would be sad to leave the Dominican Republic behind because you're a democracy. So instead we are trying to coordinate this in a fashion that broadens the dialogue.

So, I've probably gone on long enough, and I would-oh, the one other point just so that you know, that I'm stressing on this, is that in addition to the financial stability in the trade agreement, I have also emphasized the importance of free and fair elections, because for stability and legitimacy, whoever wins the elections, I think it's very important for Dominican society for that to be part of what I call the three legs of the stool: the financial stabilization, the trade opening, and free and fair elections. And if we work together with you on those items, we hope that 2004 will be a year where the Dominican Republic will work off the problems and start on an upward trend as you've had before.

And finally, because we are fortunate enough to have Congressman Weller here, he will be part of the leaders that will help us pass any agreement that we put together. I'd like to give him an opportunity to share a perspective because now you get our executive and legislative branch together, although we both are from the same state.

WELLER: Well good afternoon, I want to thank the Ambassador and I also want to thank everyone that's here today. It's a great honor to meet with the leadership of the established media here in the Dominican Republic. We appreciate your time and the opportunity with you.

I represent the Chicago area and I serve on the committee which has responsibility for trade issues in the House of Representatives. I also would note that I consider myself a friend of the Dominican Republic, I've visited now your country three times.

QUESTION: *translation* If not we'll take back Sosa. (laughter)

WELLER: I know where he comes [inaudible] he has family here. We thank you for that good export, and several others that have come to our country to play baseball. Make good

money too. Hopefully, they send some home to their relatives. I would just note that as we look towards the opportunity for a free trade agreement between the Dominican Republic and the United States - tremendous opportunity for both our countries.

Coming from the Midwest, we always look at trade and we say, it's all about jobs. And we have the opportunity, by further reducing trade barriers between our two countries to create more jobs, higher salaries, and strengthen families because of economic opportunity. And that's really the goal of what this free trade agreement means for both our countries.

We trust our trade negotiators; our goal is to have a fair agreement. And as one who will be working with President Bush and Ambassador Zoellick to move the free trade agreement through Congress, and receive a majority vote in the House and Senate, to ratification.

Just as it's been noted today in the meetings we had, we are in an election year in the United States as well, 100 percent, the entire House of Representatives is up for election in November, one third of the United States Senate is up for election, and also the President of the United States stands for election and will have opposition.

And if you watch the cable channels, you've seen the rhetoric regarding trade, and the politics of trade in the United States. It's always more difficult, in an election year, as has been noted by your political leaders and people we have met with today here in the Dominican Republic. It's more difficult to pass a trade agreement in an election year.

And particularly in an election year, those who stand in opposition to expanded trade between our two countries will work very hard to try to prevent us from ratifying any agreement with your country or anybody else. And so I'm always optimistic and I believe we will ratify the agreement, but we have our work cut out for us. I would note that the ability to achieve an agreement that is fair to both sides provides opportunity for both sides will strengthen our hand as we work for ratification in the Congress.

And also I believe there's another asset which I really would think is important to identify. There's over one million Dominican Americans. Immigrants from the Dominican Republic who are living in the United States, and I believe that they offer the potential to really serve as very effective salespeople to lobby their representatives in the Congress. Particularly in states like New York and New Jersey where the Members of Congress tend not to support free trade. And when it's very made clear by the Dominican Americans residing in their districts, that if you support the Dominican Republic, and you want to strengthen our relationship between our two countries, you should vote yes for the free trade agreement between the Dominican Republic and the United States.

So I look forward to working together with the political and the economic leadership of the Dominican Republic to ratify this agreement as it moves through the Congress. My hope is that the negotiations will move in a very timely way, to give us the maximum opportunity to achieve ratification in the Congress early this year, so the Dominican Republic receives the benefits fairly quickly as part of your economic development.

So, thank you.

ZOELLICK: And you see, the idea Congressman Weller and I have is that we would like to expand your readership in the United States so that you can have more newspaper and television advertising sales, so you have to help us get the agreement passed. [laughter]

I know that journalists never respond to economic self-interest so I... [laughter]

So we'd be pleased to take any of your questions.

QUESTION: [summary translation] *Victor Tejada of El Caribe, in regards to elections, please explain further the expectations of the Bush Administration.*

ZOELLICK: President Bush is a very strong supporter of democracy, fair and open systems. And we certainly are very proud of our friendship with President Mejia and his administration, but we also realize that it's the nature of democracies that people have to compete for the vote, that's what President Bush will have to do.

And I would say more broadly that we've been pleased over the years that we have a very good relationship with the Dominican Republic, at all aspects of the society. As I was talking with the Ambassador, I think this really starts with the fact that there is a very warm feeling among many Dominicans towards the United States. Part of it is the fact that we are very fortunate to have many Dominicans in the United States. So it's the society ties that are key foundation.

In terms of elections, obviously, countries have their own processes, their own procedures. And all that we emphasize is that, as the Dominican Republic has in past years, be an open, fair process, everyone's vote be counted, and only be counted once.

And so the main point is just that - I travel in many parts of the world where sometimes people consider democracy a liability, because it's harder to make decisions. We don't believe that. We understand that democracies have to work and compromise to make difficult decisions, but ultimately it creates a legitimacy for difficult decisions that is vital in terms of the success of an economy over the long run. And I have to say that, in talking to members of your Congress and having some sense, I know I can never have as much sense as the people living here, but this has been probably an extremely difficult six or seven months. And there are many congresses that frankly would abdicate their responsibilities. Yours didn't. It worked well with the executive branch to make some very difficult decisions. And I think that is something that is worthy of note and worthy of support.

And that's one reason why, even as I met with the vice chairman of your central bank as part of the cabinet session, I asked him to make sure that I was briefed before I left tomorrow so that when I go back I can talk to Secretary Snow and assuming that the last issue, I think related to exchange rates, is resolved, that the financial institutions are ready to move promptly to give the backing that one needs.

So that's the point about democracy. I think ultimately, for the hardest decisions to be sustained in a society, people have to feel part of the process.

QUESTION: [summary translation] Ambassadors, there are two sectors that are worried because they will be net losers. Agriculture because of subsidies and with industry because of high interest rates and energy problems. What message can you give those sectors?

ZOELLICK: You know it's interesting, when you talk to countries that worry about their ability to compete, they all focus on what they consider to be the drawbacks, such as high interest rates. In the United States, people will say, how can we compete because their wage rates are much lower. So I don't accept the premise that many of these sectors cannot compete.

It depends on the overall competitive environment that is created and how one helps firms adjust. I think the biggest message on this, it's so important for people to appreciate about trade, is it really isn't a zero-sum calculation. It can be a win-win venture. Let me give you some examples: In the case of agriculture, first off, lower food prices in your country or mine end up benefitting poorest people the most because they spend the largest percentage of their family budget on food, or basic clothing, and basic necessities.

Secondly, even within the agriculture sector, and I discussed this with some of your, I think it was a senator that asked this question, he was focusing on poultry and pork. Well, for his sectors, he would actually be benefitted to have tariffs reduced on corn because then he gets lower-priced feed and it will help them compete not only the United States but globally.

Now with sectors like pork and poultry, even there it may depend on segments. For example in our agreement with Central America, we distinguished between some of the white meat and the dark meat because there are different business models here that are being used. But we, of course, recognize that there are sectors, and many of them will be in agriculture, that will take time to adjust. And so we put in rather long phase-ins in our agreement with Central America; some fifteen years, some eighteen years, even dairy ran up to twenty years.

Within the phase-ins, that's the phasing out of tariffs, in some cases you put in a quota limitation, and you increase the quota over time. We also put in the agreement what is called a volume-based safeguard which I referred to, which is that is if after the quota is gone there is a big surge of production that goes beyond a certain volume that would affect the price, then you can put back the tariffs for a limited period of time.

So there are tools to deal with the sensitivities. But let me go to the industrial sector as well.

The real challenge here is not really to look at the United States and the Dominican Republic as major competitors with one another. It's a question of how they integrate to be more effective with the world. And if you look at businesses around the world now, many of them are looking at global sourcing arrangements. So they might produce some of the technology components in one country, assemble them in another, move them off to a third country. But they could only do that if you have good customs rules, if you deal with corruption problems, if you've got good port facilities, and if you, in a sense, integrate the business sectors together. That brings me - and that is, in particular, the case as I alluded to in our textile and apparel sectors.

Our real challenge is how we try to deal with an integrated textile and apparel market with you, with Central America, with Mexico, to deal with other competition. And so, for example, we put some provisions in the Central America agreement to try to help deal with some of the specifics of that. So for example, there are provisions that if one of the countries cannot get a fabric inexpensively, call it a short supply, it's in short supply, we identify that list of fabrics from the start and then we create a much quicker process if one needs to be able to get that fabric, if you need to add other fabrics to the list.

So there are things that are in the agreement, in say in an integrated textile and apparel market. But let me go one step further. Dominican Republic already has access for about 80 percent of its manufactured goods tariff-free to the United States. So you might say, what's the benefit for us? Well first off, you lock in that access because what Congress gives, Congress can take away. You also make it 100 percent, in the case of Central America, our industrial, we opened up the industrial goods market to about 100 percent in year one.

But in addition, the real challenge here is how to create a climate where businessmen will want to come to the Dominican Republic, and that sometimes goes to issues like services. So if you talk about an efficient agricultural export sector, or an efficient consumer goods or industrial goods sector. Part of the challenge will be, what are your rules on express delivery? So that people can bring products in and out. How efficient is the telecommunications system? Because the cost of telecommunications, you know this in the news business, is critical. In financial services, this relates to the cost of capital and ultimately, interest rates.

So there are many aspects of the service sector that, frankly, are the key to creating a competitive infrastructure for an economy in the twenty-first century. And then what we add on that, are rules related to investment to give investors more confidence, that's an encouragement that helps create jobs.

We also add rules dealing with things like the environment and labor because we have a fine balance, we want to encourage good environment and labor conditions, but we don't want it to be protectionist. There's some members of congress Jerry and I know who say, isn't it unfair for a developing country to pay lower wage rates? This is the point that Congressman Gephardt is saying right now. We should have an international wage rate set. Well good luck competing with the wage rate that he sets, ok?

So what we trying to do is deal with things like conditions for child labor, make sure that unions have a right to organize, bargain, the basic rights. And that you enforce your own laws, we will work and encourage you with that, same in the environmental side, but not slip over the line where we are really intruding on your sovereign decisions for economic growth.

And so, I apologize for the longer answer. The brief answer to your question is, you can you use tools for adjustment. But the real answer is an economy is a living, dynamic, growing organism. And we need to create the possibility of jobs for the future, not just protect jobs for the past, and it's true in our economy too.

QUESTION: [summary translation] We all understand U.S. security concerns following 9-11. However the region is also important for U.S. security Besides the FTA, what priority does Latin America have for the United States?

ZOELLICK: It's a very important question and since Congressman Weller and I are from Illinois, which as you know, is the home of Abraham Lincoln, who used stories to good effect, I'm going to start to answer your question with a story.

I was an undersecretary in our State Department from 1989 to 1992, and one of the very first issues that I worked on with Secretary of State Baker was the problems of Central America, and the bloody civil wars in Nicaragua, in El Salvador. How it spread over the borders with Guatemala, Honduras. And we were very pleased that we were able, through the democratic process, and a peace-making process, not only to end those civil wars but to create a basis for democracies, although they were fragile - in countries like Guatemala, El Salvador, Nicaragua, Honduras.

When I was at the State Department, ten years ago, I thought that it was unfortunate that the United States' history with Central America, and this is also true with the Caribbean to a degree, was that we often didn't pay enough attention until problems became terrible. Then we got drawn in. Our hands got burnt, became very divisive in our societies, almost ended President Reagan's presidency with Iran-Contra.

And then after we dealt with the problem, then we'd look away, until the new problem comes again. And so I always felt one should try to build on success with other success. So when I was at the State Department, I had the idea of trying to do a free trade agreement with Central America. But I wasn't the USTR then. [laughter]

Now I am. [laughter]

So I can do a free trade agreement with Central America.

Now the point, of course, is a larger one, and it applies to Mexico too. When people ask me about NAFTA, I urge them not only to look at the economic benefits but I urge them to look at what was happening with the old PRI corporate state, and what might have happened as that old corporatist structure broke up. And who knows what old pieces of the unions or the newspaper might have been picked up by narco-traffickers or others.

But instead, Mexico became part of North America, as well as Latin America. And it's in my view, not an accident that you have a president elected from the opposition party for the first time in seventy years because the society opened up. You've seen it change the newspapers. When I used to go to Mexico in 1989, a lot of the journalists were *on the take*, you couldn't get a fair story. Now you have *La Prensa*, *Reforma*, good newspapers, serious papers. And it's affected the other newspapers in the country. It's part of a civil society.

So in some ways, your question is an excellent example of what this is about when I say it's not just about a trade agreement. For us, the Central America Free Trade Agreement, and what we are trying to do with the Dominican Republic is create an opportunity here. Trying

to create an opportunity for growth, development, support the rule of law, link to our economy and use that in a way to leverage your own reform process.

But there's some important distinctions: One, it's important to emphasize, it's only an opportunity. We can't do it for you. And indeed this goes to the nature of the point of the free elections. It won't work unless it comes from you, it won't work unless it comes from your people backing it.

Now, we all have difficulties. One of the lessons of NAFTA for Mexico was, it gave them an advantage, but it didn't give them a guarantee. And Mexico still needs to make more reforms if it's going to take advantage of that position and compete with China. And I'm not just talking about financial reforms, I'm talking about education reforms. So you can have an educated work force in the future. A more effective tax system, and other things. Well, similarly the Dominican Republic is a good friend of the United States. The Caribbean is very important. We want to try to offer that possibility, that opportunity. But it's one element of a larger process of partnership and a larger process that Dominicans will have to decide.

The one other distinction I would draw in some of the countries you mentioned. Sometimes of course, we have disagreements with Brazil, but I've put Brazil in a different category because Brazil is a democracy. And I actually think, while I may disagree with President Lula on various issues, I think his election was very significant because he was an example of a Latin American leftist party that stayed with the democratic process. Not many of them did. Most of them decided to go outside the democratic process. He ran, he lost. He ran, he lost. He ran, he lost. He ran, he won. That's for the Brazilian people to decide in their democratic system.

The reason I say that is, I agree with you that part of the challenge in Latin America is dealing with poverty - part of it is imbedding the civil society. In some ways, as people have written, the 90's were a period of growth, but the macroeconomic stability is only one part. Then you have to drive deeper. You have to try to deal with the society, what the economists will call microeconomic, but I'll also call the stake that people have in their society.

I've pointed out in speeches that when you go to Latin America, you don't find many great universities that were founded by wealthy people who decided to give back to the society. That's not part of the culture there. But you look at the University of Chicago, you look at Duke, or you look at many foundations and universities in the United States, the people that benefit in a society have to have a stake in the society. They have to decide this matters not just for them and their families, but others. And again, this is where what we are trying to create in the hemisphere has perhaps some deeper roots.

The Dominican Republic will do this in their own way. But deepening the ties to our society maybe some of your business leaders will say, yes this is a good thing to do. We're at a university that my country helped found under the Caribbean Basin Act, but the people of the Dominican Republic built the University. The Monsignor here is the person who has made it into a living part of your society.

So I apologize for going on long but it's a very important point and trade is a key development. It's a key aspect of opportunity. It isn't the only solution.

You mentioned Ecuador, you see the reason I would differ on Ecuador is President Gutierrez is a Colonel, like Chavez is a Colonel. But he looks like he's being a different Colonel. He's actually making some very difficult decisions. He's trying to actually strengthen what is a fragile democracy.

And the reason you really hit the nail on the head, and it's one of the things I work with Congressman Weller and others, is as the Trade Representative, I'm trying to create opportunities for US businesses and farmers and workers. But we're also trying to create a better neighborhood, as President Bush says. And frankly, it is better for us if you grow, your democracy succeeds, and that's true for Brazil and everybody else too.

Going back to your first point about terrorism, and then I'll stop because I've been going too long. I am not a person who believes that terrorism is caused by poverty. It's an insult to hundreds of millions of poor people around the world who don't blow up buildings and kill people. And also if you look at the demographics of people like Osama bin Laden, they tend to come from privileged classes. But I think that what your question raises is that societies where people lose hope, where they fragment, where the society breaks apart, this is a big question for Indonesia, the largest Islamic country in the world, those societies become the breeding ground of trouble. So there are security issues that need to be dealt with military force, and there's security issues that need to be dealt with democracy and economic opportunity.

So really, in one way, I do see what we are doing here is part of helping democrats, small Ad@, in the Dominican Republic help strengthen the sinews of society to deal with terrorism and the dangers, whether it be from outside or home-grown. So you really gave me an opportunity to tell you some of the underlying philosophiesY [laughter]

MONSIGNOR: Two questions more.

QUESTION: [summary translation] ...location, location, location. Those who will sell their free trade agreement - timing, timing, timing. According to the plan of A, the Congress will approve this in March, April. What is the Plan B, especially in light of the negotiations now between Mexico, Canada, and the U.S. for strengthening NAFTA, and how do we get involved in this whole process?

ZOELLICK: Part of the U.S. trade strategy is that we are negotiating at multiple levels at once. So for example, we are very committed to the global WTO trade negotiations, the Doha round, which I and my colleagues made a major effort to help launch in 2001, after the failure in Seattle.

And as you've probably seen, after the dust settled from Cancun, just this week I sent out a letter to my colleagues to try to push it forward. And that's important for global growth.

We also are trying to promote the ALCA, our hemispheric free trade. But knowing how difficult it is to move towards free trade with 34 countries at once, we frankly are offering

the opportunity for some countries to move forward more quickly, and yours is one of them.

Now, we then have bilateral or small regional arrangements like CAFTA or this one with the Dominican Republic. When I return to Washington, I'm going to try to finish a free trade agreement with Morocco, another one with Australia, we'll try by 2004 to do one with five countries in the Southern African customs union. We're doing these around the world. But we are limited. Because I have limited resources, we have to work these with the Congress, so that's why I mentioned to some on the civil society, we see the free trade agreements as an opportunity, not an obligation. I have a long line of countries that would like to do them.

Now, because under our Constitution, Congress has the authority under trade, the authority they've given the President is subject to various limits. One of those limits is that as we complete an agreement, we must send a notice to the Congress, even before we can sign it. And we have to wait at least 90 days.

That is the time we are trying to use to work with the Dominican Republic so we can include you in the agreement that gets signed. After the agreement gets signed, we then have to work with Congressman Weller's committee and others to develop the implementing legislation, which we then submit for an up or down vote, meaning no amendment, which is the key heart of this process.

Now, this is an election year in the United States. As Congressman Weller said, frankly the opposition party is running pretty hard against trade. I can't be certain of what will happen, but here's what I am certain of: if we don't conclude the agreement with you, you can't be part of the deal. So as I hope you appreciate, in my position, I try to take each step I can. And I've concluded an agreement with four Central American countries. Costa Rica says it wants to try to be part of it, I hope by the end of this month.

I was convinced that President Mejia and his team were serious about this agreement and they've done their homework. And so frankly, we wanted to treat a friend with the respect we thought it deserved, and so we wanted to give the opportunity and we think it's possible to do this in the time period. And then we'll have to work with the Congress and others to consider the timing of bringing it up. And I hope as he said, we can do it in the course of 2004. But I know if you're not part of it, you can't be part of it whether 2004 or 2005.

And so we try to set those goals and we believe that they are achievable goals. And because I'm part of a democratic system, that's the best I can do, is to walk each step along the way as we go forward, while trying to move these other negotiations.

I will say this with some pretty good certainty; while I worked very hard in Miami to try to move the ALCA, the Free Trade Area of the Americas negotiations forward, that I think the positions of some of the countries of Mercosur are going to make that very hard, as we try to work towards the 2005 deadline. And so that's why, not surprisingly, not only Central America and the Dominican Republic, but Colombia, Peru, Panama and others are trying to get started. And frankly, just so you also know, we hope to get started with them in the second quarter of 2004. And they are very eager to start. Frankly, you're ahead of them.

But if the process drags on, well the reality, you can't be ahead of them forever. Because, we'll need to move.

So I hope that tries to give you a realistic sense of the balance and the timing that we have and frankly of the special status we apply to the Dominican Republic.

[cross talk]

Well, I was going to say, on age, you know your question, it just made me feel old because when you were talking about Sammy Sosa, I was thinking of Roberto Clemente. Wasn't he from the Dominican Republic? That was my age.

[laughter]

QUESTION: Puerto Rico!

ZOELLICK: Puerto Rico was he? Oh, I thought he was from the Dominican Republic

[crosstalk]

Well I was young. Excuse my mistake.

QUESTION: [summary translation] Is there a fear that there won't be free and democratic elections in the Dominican Republic?

ZOELLICK: I wouldn't say that there's any particular focus or concern. Obviously, the Dominican Republic has had a democratic process in recent elections. It didn't always in the past, and we think it's very important to emphasize that. And I don't know if the Ambassador has any other insight he'd give on this. We know of no particular sign, but we know it's a time of stress and so what we're really saying is, we and the rest of the world will be very attentive to the process being free and fair.

Now look, countries can criticize other countries. I work for President Bush, we had a very close election in 2000. There were disputes in our election. I spent 35 days in Florida as part of a recount effort. Ultimately, we felt it followed our laws. It went to our Supreme Court, where there was a question. So people can have disputes, but in all societies, sometimes there are temptations of what people do with a ballot box. And we are just emphasizing the importance of a free and fair election here.

So there is no particular point other than to emphasize that it's part of the partnership that we've developed and part of, I think, the success of the Dominican Republic.

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