

REMARKS BY AMBASSADOR RON KIRK UNITED STATES TRADE REPRESENTATIVE



“Trade and the Economic Agenda: Serving America’s Families and the Global Recovery”

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Thank you very much. And thanks to Dean Alex Aleinikoff and all of Georgetown Law School for the opportunity to join you today.

This is an important opportunity to talk about U.S. trade policy – and why trade has become such a tough subject here in Washington and around the country.

Even before the bottom fell out of the world economy, U.S. trade policy had its problems.

If you gave Americans the opportunity over the last few years to take a no-confidence vote on our U.S. trade policy, it probably would have passed with flying colors.

To many Americans, U.S. trade policy has lacked rhyme or reason. People wondered whether we were getting enough out of the agreements that were negotiated.

Many people have felt that enforcement was being neglected, and that our trading partners have been running roughshod over us, pulling good jobs overseas.

They’ve been concerned that lower labor and environmental standards have allowed other countries to undercut U.S. producers.

The benefits of trade, and the reasons for pursuing a strong trade agenda, have not always been as evident as some of trade’s negative effects.

On that shaky foundation, the economic crisis is now weighing down.

An aggressive effort to keep trade flowing and open more markets to American goods and services absolutely must be a big part of our economic recovery here at home.

Trade is a major element of our economy already: exports accounted for a record 13 percent of our Gross Domestic Product last year.

And while some may think that if we just stop trading, everything will be okay, we need trade to grow our economy.

In the three years leading up to the global recession, export expansion accounted for almost half – 47 percent – of America’s overall GDP growth.

But in the context of this crisis, U.S. exports have fallen 16 percent, while U.S. unemployment has risen.

To get our economy back on track, we need to increase exports. That means we need access to growing economies abroad.

The rational response is to reach out and do more.

But in times of extraordinary crisis, it’s hard for people and for nations to remain objective. The temptation is to turn inward.

People worry that trade will cost them their jobs – and no wonder!

The closure of a plant due to international competition usually makes a lot more news than the hiring of additional workers because of new markets overseas.

But the truth is that jobs do come when trade policy is done right.

While the pain of trade can be concentrated at times – its benefits are lasting and widespread.

One in six American manufacturing jobs is already supported by trade.

Agricultural exports support nearly a million more.

Services account for 8 out of every 10 jobs in the United States – and there’s significant potential in our ongoing trade talks to grow more services jobs here at home.

And jobs supported by exports of goods pay 13 to 18 percent more than the national average.

So a strong case can be made for trade as a creator not just of jobs, but of the better-paying jobs that Americans want and need today.

That’s why President Obama and I are committed to opening markets abroad for American products and services, to leveling the playing field, and to ensuring that foreign governments play by the rules and treat our companies and workers fairly.

On trade, we will take a new approach.

There has to be a new paradigm. So we are looking at everything.

We will keep what has worked in the 60 years since GATT was signed in 1947.

And we'll update what needs updating for the global, interconnected world we live in today.

The economic crisis gives us a unique opportunity to rethink trade.

Rather than go along the same path we've followed before, we can and should play to America's strengths in our new trade agenda.

For instance, we're looking to boost small businesses. Fully 97 percent of America's exporters have fewer than 500 employees.

So, if we make trade work for small and medium-sized businesses, we make trade work for America.

It's time to show those businesses, and our workers, that the President and the United States Trade Representative have their backs - at the negotiating table, in the enforcement process, and in those instances when competition forces a worker to transition from one job to another.

It's time for a trade policy that makes sense to the American people - a trade policy that translates into better jobs and better lives for our families.

Americans will be glad to have a robust trade agenda if we know it means better-paying jobs for us here at home.

So how are we going to do this?

First, we're opening up the process already - doing thorough reviews and making sure Congress and the public have access to better information about our trade efforts.

We're looking for new solutions to the issues that have dragged on in existing Free Trade Agreements.

We believe there is strong bipartisan support for the pending free trade agreement with Panama, and I'm working to resolve some labor and other issues before we ask Congress to consider it.

At the Summit of the Americas, President Obama instructed me to lead a review of the Colombia agreement to deal with outstanding issues there.

And we are continuing our dialogue on issues related to the Korea free trade agreement, too.

Meanwhile, we're working to open new markets for American goods and services – and to promote economic development – by bringing developing countries to the table.

At its best, trade policy can be an innovative tool to grow the world economy, while helping American workers and firms here at home.

So we will seek ways to sharpen U.S. trade policy, and to shore up the foundations of global trade today.

One way we're doing that, is by rejecting protectionism and supporting the global rules-based trading system.

At the recent G-20 Summit and at the Summit of the Americas, President Obama strongly reaffirmed America's commitment to those principles, and we are encouraged that our trading partners joined him in doing so.

We identified barriers to U.S. market access in the National Trade Estimate report on March 31.

We are following up to determine which ones are costing America the most jobs and opportunities.

And we will use all the tools in USTR's toolbox to go after those trade barriers.

There will often be expedient and productive ways to work things out, through direct dialogue or formal consultations in the WTO.

When it becomes necessary, we can employ litigation in the WTO as well.

Stepping up trade enforcement is about opening up markets, not closing them down.

Strengthening the rules-based system will restore confidence in trade, and boost trade for the long term.

We've also strengthened support for American workers when trade takes a negative toll.

President Obama supported Congress's significant expansion and improvement of Trade Adjustment Assistance in the American Recovery and Reinvestment Act.

Americans know that we'll be there if trade causes a job loss.

And we're showing Americans that we want their input on the front end.

Our office is already reaching out to more stakeholders, and sharing more information about policy and process.

That's what we're doing now. The question is – what's next?

What's next is taking this new attitude to the rest of the world.

Since 2001, 153 WTO members have struggled – and failed – to reach a successful conclusion in the Doha Development Round of talks.

The complexities are immense. But so are the opportunities.

And the stakes are high.

The WTO says global trade will fall by nine percent this year – which has us on pace for the biggest drop since World War Two.

That's why President Obama and I are committed to a successful conclusion of Doha.

Now is not the time to turn inward.

Now is not the time to be timid.

Now is the time to revive global trade, and to lay the groundwork for an even more robust, more open trading system in future decades.

At this moment of economic uncertainty, we should make our best effort to create the strong global trading system of tomorrow.

As President Obama said at the G-20 Summit and at the Summit of the Americas, the U.S. is closely reviewing the Doha round to determine how best to bring it to a successful conclusion.

In the coming weeks, we will say more about how we think Doha can finally move forward.

Our goal remains the same – to see the mission of the Doha round fulfilled through the creation of new economic opportunities and a major contribution to global development and growth.

For America, that means meaningful market access for our farmers, ranchers, manufacturers and services providers.

It means a clearer picture of what we get as well as what we're expected to give.

It means a balanced and ambitious outcome that yields meaningful new trade flows for all.

Getting there will require ideas and input from all our trading partners about how to put Doha on a straighter path to a successful outcome.

I'll be talking to our fellow WTO members about proactive, positive options for moving the Doha round forward both procedurally and substantively, and asking for the same from them.

The world's trading partners want a Doha agreement.

Persistence is key.

We should embrace this once-in-a-generation opportunity to forge a strong framework for the future of global trade.

An agreement that takes the global terms of trade beyond the current status quo will provide benefits for years to come.

Among those who can share in Doha's benefits, of course, are the developing countries of the world.

An important element of the round should be to recognize the diversity of interests among developing countries, and to better integrate developing countries as full participants in the global rules-based trading system.

The global trade lineup has changed, and it's a welcome thing that some of our trading partners are moving up.

A few emerging economies are now becoming significant players on the global stage, and as the world emerges from the current economic situation much of the growth is going to come from a number of these key markets.

These advanced developing countries have rightfully claimed a bigger role in Doha.

But those who lead at the WTO are also the ones who have to compromise and make hard choices about opening their markets.

The trading system relies on this leadership.

The United States is ready to step forward, but success will only follow from all key stakeholders doing the same, including the more advanced developing countries.

We can also provide more assistance to those developing countries most in need.

The world's poorest developing nations have a special place in the Obama trade agenda.

Trade may have fallen for all nations in the last few months, but the least developed countries have seen their small share of the trade pie shrink by one-third since 1970.

That trend is unacceptable.

It's not in any of our interests for developing countries to drop off the cliff – because in today's global community, we all rise and fall together.

There are also economic opportunities for the U-S when we work with developing countries.

When income levels rise in other countries because of trade, American goods find new markets.

So we are committed to promoting policies that help even the poorest developing countries succeed at trade.

From preference policies to technical assistance to building trade capacity, we can help lift up people who need lifting up, get them the goods they need, and grow the American economy in the process.

Trade can be an avenue to encourage investment, create jobs, and even provide alternatives to conflict.

That is why President Obama has called on Congress to create Reconstruction Opportunity Zones in Afghanistan and Pakistan – because trade opportunities can bolster the legitimate economy and enhance security in that critical area.

There is bipartisan support for that idea in both the House and Senate, and we will work with Congress to move it forward.

It's the kind of trade policy that's good for our partners, and is also good for America.

That's the attitude we have to take toward trade.

Our efforts to trade fairly and freely with the world must work for Americans here at home.

As United States Trade Representative, that's the metric I am using as I review our existing trade deals... as I look at Panama in an effort to complete that Free Trade Agreement... and as I seek a way forward on the Colombia and Korea FTA's as well.

When it's time to strike new trade deals, we'll seek bigger ones that access major markets for American workers, farmers, ranchers, manufacturers, and service providers.

And those trade deals will reflect our values on the rights of workers and protection of the environment, in ways that also level the playing field for workers here at home.

Congress knows how committed I am.

I was clear during my confirmation hearing, and I will go back to the Hill as much as necessary, to show that this Administration is ready to work with our citizens' elected representatives to reach these goals.

We are seeking to understand what our critics want – on both sides of the aisle.

We want those who strongly support open markets and those who are more skeptical to bring their best ideas to the table for how global trade policy can help create prosperity here at home.

We will be responsive where we can, and we will always be respectful when we disagree.

We will work with Congress to assess trade agreements and actions on their individual merits, and also as part of a much larger strategy for long-term economic recovery and renewal.

Communication and transparency in the policy-making process will help us to conclude deals that not only win support when Congress votes, but as we implement trade commitments for years to come.

Addressing Americans' concerns – whether it's through Congress, or by talking to the public directly – is what the United States Trade Representative's office will be all about.

The only way to restore confidence in the country's trade efforts is if people can see what we're doing and understand why.

It's a big job to negotiate trade with other nations.

But a huge part of my time will be spent reaching out to the American people here at home – to provide the transparency and clarity that can revive our trade agenda.

As USTR leads the effort to fulfill the promises of President Obama's trade agenda, we're not going to hide under a bushel.

In addition to all our other efforts, soon we'll roll out a brand-new website at www.ustr.gov to provide more information to the public – and get more input from the public – than ever before.

Our work is to show you that this Administration is on your side.

You will begin to see that when we strike a trade agreement, we're looking for jobs just as hard as you are.

More jobs, and the better-paying jobs that come to our workers when the world knows that America is open for business.

A robust, progressive, responsible trade agenda can help this country fight its way out of the economic crisis.

Right now, we can cement good trade policy as a pillar of our long-term economic prosperity.

So – I've got my work cut out for me.

But it's a great task to take on.

Working together with our people here at home, and with our partners around the world, we can make trade a vital part of a brighter future.

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