



FLOOR STATEMENT RANKING MEMBER DAVE CAMP (R-MI)
H.R. 1875 END THE TRADE DEFICIT ACT
JUNE 28, 2010

(REMARKS AS SUBMITTED FOR THE RECORD)

Madam Speaker, I will support this legislation today because it is an attempt to help U.S. manufacturers. But let's be clear – another commission, especially one that is wrongly premised on the notion that we should apologize for or even avoid trade – is hardly what private sector job creators need.

I understand that many are concerned with the size of the trade deficit and want to do more to stimulate our manufacturing sector. I share their belief in the importance of manufacturing and agree that it is vital to our economy.

There is no one more capable of increasing American exports than American workers and businesses. American workers are the most productive and competitive in the world – all they need is a fair shot. The best and most effective thing the government can do to give the private sector that fair shot is to negotiate and implement agreements to remove tariff and other barriers to American exports and let the private sector do what it does best – compete, win, and create good paying jobs. And our government should support our private sector by enforcing U.S. rights under those agreements to assure that our trading partners are living up to their obligations. This is how we should address the trade deficit.

This isn't rocket science. We have years of real world results to understand that the best way to increase American exports and reduce the trade deficit is to open more foreign markets. The United States has trade agreements with 17 countries, and in 2009 we had a trade surplus in manufactured products of over \$26 billion with these countries. So far in 2010, we have a trade surplus in manufactured products of \$9.4 billion with these countries.

The three pending trade agreements would continue this success. According to the independent, non-partisan U.S. International Trade Commission, these three agreements could increase U.S. exports by at least \$13 billion. This substantial increase in U.S. exports is possible because these agreements level the playing field for American workers. Specifically, Colombia and Panama already receive almost completely duty-free access to the U.S. market through our trade preference programs. The pending trade agreements would provide that same access for American workers and exporters by eliminating duties that must be paid on U.S. products and eliminate barriers to our services.

But today, rather than providing this opportunity for American workers and businesses to thrive by coming to closure on the controversial issues surrounding these agreements, we're creating a commission. While we procrastinate, our competitors are racing ahead. While Congress has continued to block the consideration of the Colombia agreement, Argentina and Brazil implemented agreements with Colombia, giving their exporters a competitive advantage over America's farmers and ranchers. This has already cost billions of dollars in exports of soybeans, wheat, corn, and other agriculture products.

Madam Speaker, I'm sure that some Members today will argue that we should take a "time-out" on trade by alleging that NAFTA has hurt manufacturing. I know that is a "populist" view, so let us take a moment to parse through the facts.

- Since NAFTA, U.S. exports to Canada and Mexico have more than doubled.
- Canada and Mexico are the two largest markets for U.S. exports of manufactured goods and for our agriculture exports.
- In 2009, the United States had a \$6 billion trade surplus in manufactured products with NAFTA.

The reason the United States runs an overall trade deficit with NAFTA can be explained in one word – oil. In 2009, the United States would have run a trade surplus with NAFTA but for our imports of oil and other energy products. For those who want to end our trade deficit with NAFTA, the answer is not renegotiating NAFTA – it is more domestic energy production.

NAFTA is absolutely critical for my home state of Michigan. One in every four manufacturing jobs in Michigan depends on exports, and 65% of Michigan's exports go to NAFTA countries.. Given that Michigan has one of the highest unemployment rates in the country, we can't afford to be dismissive of policies that create good-paying, stable jobs.

Madam Speaker, some would go so far to say that trade has devastated the American economy. But as we listen to those arguments today, we should keep in mind what President Obama said just two weeks ago to eloquently summarize the need to implement the pending trade agreements and open foreign markets to U.S. exports:

"Ninety-five percent of the world's customers and fastest growing markets are beyond our borders. So if we want to find new growth, if we want to find new markets and new opportunity, we've got to compete for those new customers – because other nations are competing for those new customers."

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