



# Committee On Finance

Max Baucus, Ranking Member

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**Statement of U.S. Senator Max Baucus  
U.S. Senate Finance Committee Hearing on the United States-Dominican Republic-  
Central America Free Trade Agreement**

“This morning we begin our consideration of the United States-Dominican Republic-Central America Free Trade Agreement. Like all the recent free trade agreements this Committee has considered, this one includes important benefits for U.S. farmers, ranchers, workers, and businesses. That said, I still have serious concerns about this agreement.

Montana is an agricultural state. A good trade deal for Montana is one that – first and foremost – benefits Montana agriculture. But some of the farmers and ranchers of Montana tell me they have misgivings about this agreement. I hope that we can explore those concerns during today’s hearing.

I am not someone who runs away from difficult challenges. You don’t get results that way. You get results by rolling up your sleeves and trying to work things through. That is the approach I bring to all the issues we face in the Senate. And it’s the approach I bring to this trade agreement.

I want to thank Ambassador Zoellick and his team for their willingness to work with me to address some of my concerns about this trade agreement. Over the past two years, we have worked closely together and made some important progress.

And I appreciate the willingness of Ambassador Allgeier and the staff at the Office of the U.S. Trade Representative to continue working with me to develop the legislation to implement this agreement. I am looking forward to sitting down with you to see if we can make this agreement work for Montana. I’m not convinced we are there yet.

But first, I want to express my disappointment with the lack of leadership coming from the White House on this agreement. I have been in the Congress for more than thirty years. During that time, I’ve been involved in a lot of tough trade fights. I worked with President Reagan on the Trade Act in 1988. In the early ‘90s, I worked closely with the first President Bush to defeat an effort to remove China’s normal trade relations status.

I also worked with President Clinton to pass NAFTA. I believe NAFTA was – and continues to be – a good agreement for Montana and the United States. But it never would have passed if President Clinton had not spent months meeting personally with dozens of members of Congress, traveling around the country promoting the agreement, and speaking on television and radio to urge its approval.

Trade is a difficult issue. Even in the best of circumstances, trade agreements are a tough sell back home. Without significant Presidential leadership, it's very hard for Members to support them. By all accounts, the agreement we have before us today is the most divisive trade measure to come before Congress since NAFTA. I would expect to see a significant effort by the President to push the agreement. But I have not seen it yet.

In fact, I am unaware of any event that the President has participated in to urge passage of this agreement. And I don't believe that he has lobbied Congress on the agreement. He has certainly never raised the issue with me.

We all know what an effort from this White House looks like. We've seen it on taxes. And we're seeing now on Social Security. When this White House wants something done, it certainly knows how to go about trying to get it done. I have seen nothing to suggest this agreement is in any way a priority for the White House. Quite the contrary.

A few weeks ago, President Bush introduced Congressman Rob Portman as his nominee to be the U.S. Trade Representative. Rob is a great choice, and I look forward to working with him. But in his statement noting the challenges Rob will face, the President failed even to mention this agreement. In my judgment, without Presidential leadership, this agreement is going to face an uphill battle.

I also want to make a point about process. Back in 1974, Congress and the Executive Branch set up a cooperative process for implementing trade agreements. These fast-track procedures have served us well for 30 years. Lately, I have noticed a trend toward cutting corners. The Administration pushes for trade agreements to move through Congress faster each time. That may be fine when the agreements enjoy broad support and no one objects. But when they are controversial, we need to leave time for a full debate.

The debate over CAFTA will set the tone for Congressional consideration of many pending trade agreements and influence the course of the Doha Round. Most importantly, it will set the tone in Congress when Trade Promotion Authority expires in 2007. We need to get the process right.

I want to thank Ambassador Allgeier and all the other witnesses for being with us today. I especially want to thank the Montanan on the panel, Mr. Lochiel Edwards, for traveling here to represent the views of the Montana Grain Growers. I look forward to hearing all of your testimony this morning."

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