

Newsroom
December 4, 2007

Reid Statement On The U.S.-Peru Free Trade Agreement

Washington, DC—Senate Majority Leader Harry Reid of Nevada made the following statement today regarding the U.S.-Peru Free Trade Agreement that the U.S. Senate approved this afternoon:

“It is very unfortunate that the Bush Administration’s only policy towards Latin America has been to negotiate free trade agreements. I just returned from leading a bipartisan delegation to Latin America and last year I headed a similar delegation to different Latin American countries, including Peru. What we heard repeatedly there in almost every country we visited was that the Bush Administration had neglected the region. And, in fact, they are right. We have cut development assistance, eliminated programs, and repeatedly overlooked our neighbors to the South. In the place of a robust and comprehensive policy of engagement, exchange, aid, and a variety of trade tools, we have a simplistic, singular policy of free trade agreements.

“The Bush Administration’s narrow approach has been harmful in many ways. We have left a vacuum of diplomacy and engagement in many areas, which has allowed unconstructive forces space to expand influence. And our free trade strategy has been very divisive in many of the countries – a foreign policy that divides rather than unites.

“I support engagement with Latin America; I strongly support being a better neighbor, but I do not support this narrow policy tool that the Bush Administration has fixated on. The Peru Free Trade Agreement is the first agreement that incorporates the new provisions on labor rights, the environment, and access to medicines from the May 10 Agreement with Speaker Pelosi, Congressmen Rangel and Levin, and Chairman Baucus. These changes are significant. For the first time ever, a trade agreement will include an enforceable obligation for each country to respect core, internationally-recognized labor standards. I hope that this new provision will have a dramatic impact over time.

“If they are faithfully enforced, they can help to reduce inequality and establish broader middle classes in the developing countries with which we have free trade agreements. I applaud these and other changes that were part of that May 10 Agreement. While the May 10 Agreement is very important, I have generally opposed free trade agreements for several reasons. First and foremost, I think that for many years now, U.S. trade policy has been one dimensional – we have had one agreement after another, yet so many other aspects of economic policy have been absolutely neglected. While we’ve approved new FTAs with 12 different countries since 2001, we still do not have an adequate trade adjustment assistance program. Studies show that those workers who lose their job due to trade on average see a substantial cut in wages in their next job. We need to do a better job of ensuring that these workers do not get left behind before we move forward with more and more agreements.

“While we’ve approved all of those new FTAs, the Bush Administration has absolutely fallen down on the job when it comes to enforcement of trade agreements.

The Clinton Administration brought on average 11 cases per year against foreign trade barriers at the WTO. The Bush Administration has brought only a few more than 11 cases TOTAL over the last 7 years.

The Clinton Administration was very aggressive in using other tools of trade policy to fight against unfair trade and unjustifiable trade barriers. The Bush Administration has taken numerous measures to weaken U.S. fair trade laws.

The Bush Administration has been impotent in responding to China's currency manipulation. The continued inaction on this critical issue has led to a situation that could de-stabilize global financial markets and economic prospects.

While the May 10 Agreement includes important new labor provisions, the Bush Administration has repeatedly demonstrated that it will not enforce them.

"It is hard for me to see how I can go home and tell my constituents that I want to support more and more trade agreements when the present Administration has refused to aggressively support U.S. rights under our current trade agreements.

"Finally, I remain concerned that U.S. free trade agreements have hurt many American workers and unwittingly caused problems in some of our free trade partners. The U.S. has lost about 3 million manufacturing jobs since 2001. Many of these jobs have gone overseas, replaced by imports from low-wage countries.

"These lost jobs are offset by lower prices, no doubt. But a lost job has a more profound impact than our statistics account for. A lost job means a strain on a family. Large concentrations of lost jobs mean strains on communities and local and state governments. Also, as we saw in Mexico after NAFTA, these FTAs can be harmful to communities in our trading partners. More than a million Mexican farmers lost their land and livelihood after NAFTA. NAFTA was supposed to end illegal immigration to the U.S.; instead by pushing poor rural farmers off their land, it helped cause an explosion of illegal immigration. So, I recognize that this FTA reflects major improvements from the previous model. But, I still see many holes in U.S. trade policy that need to be filled. So, reluctantly, I oppose the agreement."

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December 6:

The Senate will convene at 10:30 a.m. There will be an hour for debate prior to a cloture vote on the motion to proceed to H.R. 3996, the Temporary Tax Relief Act of 2007. The 20 minutes prior to the vote will be equally divided and controlled by the two Leaders with the Majority Leader in control of the final 10 minutes.

On Wednesday, Senator Reid filed cloture on the Harkin substitute amendment to H.R. 2419, the Farm bill. There is a 1:00 p.m., December 6 filing deadline for first degree amendments to the substitute amendment.

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