

Opening Statement
Commissioner Michael Wessel
Thursday, December 8, 2005

Thank you, Mr. Chairman and Mr. Vice Chairman. Today's hearing occurs less than one week before the World Trade Organization's members gather in Hong Kong for a ministerial meeting. They are scheduled to assess progress and chart a course for concluding the Doha Development Round of multilateral trade negotiations.

Today's hearing will assess what progress has been made, what our priorities should be and what risks and opportunities the U.S. faces in these negotiations. Clearly, these negotiations effect more than just the U.S.-China bilateral trade relationship. But, in assessing the overall negotiations, we will have a particular eye on what impact there will be on our bilateral economic relationship with China, the potential impact on global sourcing patterns and, most importantly, the impact on U.S. jobs, our economy and our standard of living.

As we look at this new round of negotiations, we have to assess what potential benefits we're likely to get as well as what costs we could incur. Reaching an agreement must not be our only measure of success. Success must be measured in dollars, cents and jobs.

China, as the Commission has noted, has failed to live up to many of the promises they made in their accession agreement. While progress on many fronts can be documented, and must not be discounted, there are still far too many major areas where China continues to flout the rules and welches on its promises. Billions of dollars in lost sales rack up year after year as does the resulting catalog of lost jobs.

China continues to engage in protectionist and predatory practices designed to advance its economic interests at the expense of our and other nation's interests. China has largely sat on the sidelines of these talks, failing to accept the mantle of leadership that its economic position demands.

I will be most interested to learn about what steps must be taken to ensure that the basic body of our unfair trade laws are preserved and, if possible, strengthened. Congress, in passing Trade Promotion Authority, set out as a principal negotiating objective the preservation of our trade laws. Yet, our negotiators have agreed to discuss potential changes in our laws – changes that our trade partners are advocating to try and gain an extra piece of our market. In my opinion, there must not be any changes that undermine the ability to fight unfair and predatory trade practices.

Our nation's trade deficit of roughly \$700 billion is testimony to the fact that the U.S. has the most open market of any nation. We don't need to change our trade laws to allow more unfairly traded products to flood our markets adding further insult to injury.

Today we will hear from a range of experts on what the state of play is and what risks and opportunities await our negotiators and, ultimately, our nation, in Hong Kong next week. Next week is not the end of the road....but it is an important crossroads and we will aggressively examine these issues and report to Congress on how best to evaluate the steps our negotiators and their counterparts take.

###