

“One Voice for Trade”
Keynote Remarks by Donald J. Shepard
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Thank you very much. It’s a great pleasure to be among so many enthusiastic supporters of free and fair trade.

The work you do has been critical to our trade victories over the past several years—bilateral free trade agreements with a number of countries, a Central American free trade deal, permanent normal trade relations with China and Vietnam, and improvement to foreign investment rules, to name just a few.

Your work will be even more important for the battles that lie ahead. We are being tested by our opponents. Public opinion has turned against trade, and several of our newly elected leaders in Washington are less than receptive to it.

From a policy standpoint, the Doha Round of multilateral trade negotiations has stalled, the outlook for pending free trade agreements with Korea, Panama, and Colombia is uncertain, and the incoming president doesn’t even have the authority to negotiate additional agreements.

But this does not mean that we have a losing argument on trade. It simply means that we need to redouble our education efforts, and it starts with you.

Football coaches often say that the game is won or lost in the trenches, along the interior line.

The same could be said of trade. Though trade policy is decided by a vote in Congress, the battles are won and lost at the grassroots level in communities all over this country.

How well we educate ordinary people about trade and motivate them to become trade advocates determines—perhaps more than anything else—the success of our efforts to expand trade opportunities for American companies.

The Chamber is firmly committed to working with its state and local counterparts to enlarge the community of trade supporters. TradeRoots is the nation’s only sustained trade education and grassroots program of its kind.

While many trade promotion programs rise and fall according to the legislative calendar, TradeRoots is continuously at work in communities every day, building support for free trade agreements and providing practical tips for how to take advantage of business opportunities overseas.

While the TradeRoots team shuttles from town to town, the Chamber's International Division and team of lobbyists are making a strong case for trade here in our nation's capital – and indeed around the world.

How will we be successful? By making simple arguments that lay out the facts, dispel common myths, and address people's fears about trade.

Everyone is entitled to their own opinion, but not their own facts. Here are the facts about trade that we need to communicate.

First, trade has helped the U.S. avert total economic disaster and is critically important to lifting us out of recession and into a period of sustained economic growth.

In the first half of 2008, export growth expanded at a double-digit rate, even as the economy slid into recession. In the second quarter, the growth in net exports accounted for virtually all real GDP growth.

Our exports sustain millions of American jobs. Approximately 57 million American workers are employed by firms that engage in international trade - about 40% of the private sector workforce. With unemployment at 6.5% and rising, we can't afford to lose more jobs by ignoring trade opportunities.

Second, trade is very important to America's small and mid-size businesses. Small business has long been recognized as a motor of job creation and innovation, but Americans tend to regard international trade as the domain of large multinationals.

While large companies still account for a majority of American exports, small and mid-size companies represent 97% of all U.S. exporters and generate nearly a third of all U.S. merchandise exports.

The opportunities for entrepreneurs in the trading arena are phenomenal. With advances in high-speed Internet technology and logistics services, small businesses now have extraordinary opportunities to reach foreign customers,

and the appetite for U.S. products and services remains strong around the globe.

Third, trade works to our advantage when the terms are fair and the rules are enforced. The problem is that in many cases, they aren't. No one wants to go into a basketball game down by a dozen points from the tip-off—but that's exactly what American exporters do every day. These barriers are particularly burdensome for America's small and medium-sized companies.

The average tariff applied to U.S. manufactured goods arriving in overseas markets is 7.5%, and the figure for U.S. agricultural exports is 17%. These numbers often range much higher, particularly in emerging markets.

It's no surprise that American exports to countries that have eliminated tariffs and other barriers to U.S. exports have been growing roughly twice as rapidly as our exports to other countries.

In recent years, 40% of U.S. exports went to the 14 countries with which the United States has free trade agreements, even though those countries represent just 7.5% of global GDP.

Fourth, we must acknowledge that while most workers and consumers benefit from trade, some workers are dislocated. They deserve our support. They need new opportunities. They deserve better education and retraining programs so that they can succeed in a 21st century economy.

That's why the Chamber strongly supports the Trade Adjustment Assistance program. It helps ensure that America's workers have access to the education and job training tools they need to return to work quickly.

It's also why we've launched a major education reform initiative to ensure that our students are equipped from day one with the skills they need to succeed in a high-tech, rapidly changing economy.

Finally, we need to ask people to consider the alternative to trade. Suppose we shut off our markets and build a wall around our country. Suppose we say that we won't trade with the rest of the world.

Then what would happen? Prices would go up for American families. They'd be denied more choices in the marketplace. Other nations would retaliate, closing off their markets, which would destroy American jobs. The millions of

Americans employed by either U.S. exporters or by foreign companies operating in the United States would be headed for the unemployment line. I don't think this is an alternative that most Americans would support.

Ladies and gentlemen, yes, the current political environment presents some challenges, but nevertheless, we have real opportunities to make progress on our trade agenda.

Let's look at the new environment not as an obstacle, but, rather, as an opportunity to convert the uneducated and those in the middle, make new friends and allies, and form new coalitions in support of trade.

We need you more than ever for this effort. Success in advancing our trade agenda doesn't start in Washington – it only ends here. It starts in small towns and big cities across America, where ordinary working Americans benefit from trade in ways they don't even recognize.

If we can educate them and move the public opinion needle on trade, then we can move the needle in Congress and with the administration. I, for one, am looking forward to this challenge, and I hope you are, too.

Thank you so much for all that you do.