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As Prepared

Thank you. It is great to be back here in Miami – the Gateway to the Americas – and to see so many familiar faces and friends. American Chambers of Commerce play a critical role in strengthening America's economy and advancing freedom, transparency, and prosperity throughout the Western Hemisphere, so I'm particularly pleased to be here with you today.

Last week, I had the privilege of representing President Bush on a delegation of U.S. officials attending the inauguration of the new President of Guatemala, Álvaro Colom. As we were flying down from Washington, it occurred to me that I was returning to Guatemala on behalf of my country a little more than fifty years after my father had left *his* home country of Guatemala to attend college in the United States and, eventually, to marry and raise a family. Growing up, we would sometimes travel to Guatemala to visit family members, and we followed events there as closely as we could in the pre-Internet age. Usually the only time Guatemala made the U.S. papers was when there had been a coup d'état, and unfortunately that was fairly common. I have a vivid memory of seeing tanks parked outside the Presidential Palace on a visit to Guatemala in the 1970s.

Last week, I found myself in that very same Presidential Palace. The impressive Spanish colonial architecture my grandfather had shown me decades ago brought back lots of memories – but the tanks were gone. Instead, I was there to witness a peaceful transfer of power between elected civilian governments; the third such transfer in Guatemala since the 1996 peace accords.

Guatemala is a country transformed by democracy, free markets, and trade. Since the implementation of the Central American Free Trade Agreement (CAFTA), U.S. exports to Guatemala have increased by 16%, and Guatemala's exports have grown almost 20% annually. The Guatemalan economy last year

experienced its highest economic growth rate in 17 years. Foreign investment is up more than two hundred percent since CAFTA was signed, and new export businesses are cropping up to supply U.S. consumers with everything from snow peas to software. U.S. companies are seeing a spike in sales of machinery, autos, grains, and plastics. In fact, the United States moved from a trade deficit to a trade surplus with the CAFTA countries in the very first year of CAFTA's implementation.

Those of you who worked in support of CAFTA should feel a special pride in the remarkable success of this trade agreement. CAFTA proves – once again – that trade works. And the policy of free and fair trade has worked particularly well in the Western Hemisphere. Starting with the U.S.-Canada Free Trade Agreement in 1988, and continuing with more and more free trade agreements across the region, we've reached billions of new consumers for our manufacturers, farmers, and service companies. Think for a moment about the amazing progress of free trade in the Western Hemisphere. Just a few weeks ago, on January 1, 2008, the final staged elimination of tariffs and quotas – on corn, beans, and sugar – took place under the North America Free Trade Agreement (NAFTA). Since its passage in 1993, NAFTA has been an enormous success for all three countries. Trade among the NAFTA nations has increased more than 200 percent, to more than \$900 billion this year. In all three countries, unemployment has dropped and real personal income has risen significantly. Mexico's GDP has doubled, poverty has fallen, and the country has become the top trading nation in Latin America. The "giant sucking sound" turned out to be little more than the hot air going out of the arguments of economic isolationists.

Other Latin American countries are reaping the benefits too. Chile's trade with the U.S., for example, has increased more than 150 percent since our FTA with that nation was signed. That's faster trade growth than we have experienced with any Pacific Rim country, including China. At the same time, the *Economist* magazine noted that poverty has fallen further and faster in Chile than anywhere else in Latin America.

And after much hard work, on May 10, 2007, Administration and Congressional leadership came to an agreement that ensured the addition of enforceable labor, environmental and other provisions in newly negotiated free trade agreements. This new path led to bipartisan and overwhelming Congressional approval of the Peru FTA last December. This agreement is a victory for U.S. exporters, who will get new access to the Peruvian market. It is also a clear victory for Peru, solidifying an important partnership with a vital ally, and providing additional tools to strengthen democratic institutions and spread social justice.

The United States has now signed free trade agreements with nations representing two thirds of the Western Hemisphere's population and more than 60% of its non-U.S. GDP. But our work has only just begun—in 2008, we need to build on our progress in regional integration – and passage of the Colombia and Panama Free Trade Agreements is an avenue to that enduring partnership.

Colombia FTA is Good for Security and for America

The Colombia FTA is an agreement that I feel very strongly about. When I visited Medellin, Colombia with Secretary Gutierrez and several Members of Congress last fall, I expected to see a city of violence and mayhem, something like the image of Colombia that we have from American movies. Instead, what I saw was a vibrant city of people engaged in the global economy – growing flowers, making apparel, providing services – in an atmosphere of increased safety and peace. I met former paramilitary members who came in from the jungle, laying down their weapons in exchange for jobs, education, and a chance to raise a family. What was once the most violent city on the planet now has a murder rate lower than Baltimore's. In Colombia, terrorism, violence, and instability are being replaced by the rule of law, investment in people, and free markets. The transformation is nothing short of remarkable.

Opponents of the Colombia FTA raise concerns about violence against labor union leaders. Indeed, Colombia has been a dangerous place to be a union leader – it has also been a dangerous place to be a schoolteacher, a farmer, or a government official. Colombia has a long history of violence in its society, driven by a violent terrorist insurgency and the drug trade. But the level of violence against union leaders is now far lower than the general rate of violence in the population, and both rates have declined dramatically since 2002. Critics only point to a single snapshot in time, wanting to compare Colombia to countries not in the midst of a struggle against violent terrorists. Colombia is successfully reducing violence by providing social and economic opportunities to former guerillas, protecting union leaders, and taking a tough stance against FARC terrorists.

President Uribe's security strategy has led to a two-thirds decline in the number of assassinations of union members over the past six years. Importantly, the Colombian government has devoted considerable resources to protecting union officials and to prosecuting those who have harmed them in the past. President Uribe has vowed to do whatever it takes to build upon the tremendous progress that has been made.

Opponents of the Colombia FTA know they cannot win this debate on the merits so they hide behind generalities about “more progress on labor violence” – even if they cannot identify specifically what that means, and have not taken the time to see for themselves what is going on in Colombia. Opponents have set a standard so vague that no nation could meet it and will always define progress in a way that will put its attainment just out of reach. That’s because the real goal is not progress, but defeat of free trade agreements that special interest groups eternally oppose.

But ladies and gentlemen, make no mistake: Defeating the Colombia FTA will not save the life of a single union leader in Colombia. Defeating the FTA will not give a single poor Colombian hope for a better future. Defeating the FTA will not hasten the end of a terrorist insurgency. In fact, defeating the FTA could drastically set back the remarkable progress made by this remarkable country – progress made despite historic challenges, while staying true to democracy and free markets. The choice we face is clear: whether to support opportunity and hope in Colombia – or to condemn an ally to poverty, violence, and hopelessness.

While the security arguments for the Colombia FTA are very strong, the economic case is equally compelling. It is not widely known that the United States *already* has free trade with Colombia – but it is only *one-way* free trade. Beginning in the mid 1990s and continuing until today, Congress has voted routinely and overwhelmingly to throw open the U.S. market to duty-free imported Colombian products coming into the United States. The Colombia FTA is a trade agreement even Lou Dobbs could love, because it rectifies what is currently an unbalanced, one-way free trade relationship.

In fact, if you remember any numbers from my speech today, remember only these: 92, 16, and 365. Ninety-two percent of imports from Colombia *currently* enter the United States completely duty free. It has been that way for 16 years, since Congress first passed the Andean Trade Preferences Act that gave Colombia access to our market as a way to reduce poverty and fight the drug trade. And 365 is the number of Members of Congress from both sides of the aisle who voted strongly in favor of these one-way preferences the last time they were up for renewal. Don’t believe me? Here is a shopping bag of products. Let’s compare some prices:

- This can of Colombian coffee comes into the United States duty-free. But this bottle of Pepsi, made in the USA, pays a stiff 20% tax when sold in Colombia.
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- These beautiful Colombian flowers – a major Colombian export – come into our market and pay zero tariffs. But this U.S.-made fertilizer, which helps those flowers grow, is charged up to 15% when exported to Colombia.

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- This bag of carrots comes into the United States – and onto your dinner table – without paying any U.S. tariffs. But this tractor, made by Caterpillar in East Peoria, Illinois, faces a 10 percent duty when sold to a Colombian carrot farmer.
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- This Pennsylvania apple pays a 15 percent tariff when sold in Colombia. Meanwhile, this Colombian banana enters the United States duty-free.
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In fact, even the paper grocery bag containing my examples is subject to a major tariff when it is sold in Colombia. Now, I'll bet you're thinking that this isn't fair. But the good news is that in our shopping bag we also have a great coupon that will eliminate all of these taxes on our products, in most cases immediately. The coupon isn't from the Sunday papers... it's called the U.S.-Colombia Free Trade Agreement, and it deserves a vote in the Congress of the United States.

I say to the opponents of the FTA: Many of you supported unilaterally opening America's market to Colombian imports at a time when violence levels were much higher than they are today. So why do you oppose opening Colombia's market to American-made products at a time when violence is down dramatically?

Advancing Regional Security and Prosperity

My friends, we must continue to vigorously argue the case for free and open trade. AACCLA has been an important partner in this exercise. With your participation, we have gathered stories that outline the benefits U.S. companies bring to the communities they do business in, through employment, investment, and corporate social responsibility programs. The fact sheets we have compiled, and your stories, have been widely distributed – they traveled with President Bush on his March 2007 trip to Colombia, Mexico, Guatemala, Uruguay, and Brazil; and they have been used in making the case for passing the Peru, Colombia, and Panama Free Trade Agreements. Today we are publishing new versions of these fact sheets on trade.gov and tradeagreements.gov.

Our partnership with FTA countries is enhancing the competitiveness of the entire region, giving the Western Hemisphere a chance to compete globally. Recently, Secretary Gutierrez announced plans to host the second Americas Competitiveness Forum in Atlanta, GA on August 17-19, 2008. The second Americas Competitiveness Forum (ACF II) will build on the success of the first ACF by bringing together representatives from the Western Hemisphere's public and private sectors to discuss economic competitiveness in the

Americas. Last year's inaugural ACF brought together approximately 1,000 representatives from virtually every country in the Americas. Many of you participated in that event, and we look forward to your active participation in ACF II.

Conclusion

For those of you who have been doing business in the hemisphere for decades, you know that this region has had its full share of challenges. But consider the success we have had throughout the hemisphere in recent years.

Free trade gives countries important tools they need to help secure a better future. We have seen the success of these agreements across the region. The people, businesses and governments of Colombia and Panama are ready for this reality.

Fifty years ago, when my father came to this country in search of an education and a better life, most changes of government in Latin America were violent, or led by the military. Today, when I travel to the region, I see leaders of the center-left and the center-right committed to democracy, free markets, and free trade. The United States has built a network of free trade agreements stretching from the Arctic Circle to the Straits of Magellan. We have expanded the circle of prosperity and hope in our Hemisphere.

Now is the time to complete our work. Now is the time to advance the cause of economic freedom. Now is the time for action, and I look forward to working with all of you.