

**TESTIMONY OF CONGRESSMAN MICHAEL H. MICHAUD**  
**MAINE CITIZEN TRADE POLICY COMMISSION**  
**February 3, 2005**

I commend the Maine Citizen Trade Policy Commission for hosting this hearing this evening, and regret that I am unable to attend due to scheduling conflicts. I am so pleased to submit this formal testimony to join my voice with countless other Mainers in standing up for our jobs in this state.

As a mill worker at the Great Northern Paper Company for 30 years, I have seen firsthand the devastation of previous so-called free trade agreements on the U.S. economy. I know what they really mean for working people and I will continue to fight every day in Washington to address the unfair trade imbalance that has ravaged our economy.

Regrettably, the list of jobs lost in our state due to the impact of these so-called fair trade agreements is almost too long to recite. We simply can't afford to export another single job. Too many workers have become the victim of crippling trade deals. We must continue to stand firm in our opposition to unfair trade agreements that offer nothing to our workers other than stagnant wages and unemployment lines, while companies abroad with much lower environmental and labor standards and subsidized benefits take their jobs.

First, we must examine the historical devastation of past trade agreements to understand fully how the Central American Free Trade Agreement (CAFTA) would continue to fail our workers and our state.

Already, NAFTA has been nothing but a disaster for our state, costing the people of Maine nearly 24,000 high paying manufacturing jobs in the last 10 years. But the threat of job loss is not for blue-collar workers alone. Across the nation, even high tech companies like IBM, Boeing, and General Electric are taking their computer and engineering jobs to China, India, and the Far East.

It has been over five years since the passage of the Permanent Normal Trade Relations (PNTR), and the devastating effects of this agreement are still being seen. In fact, the Economic Policy Institute recently released a new study on our worsening trade deficit with China and its crushing impact on our workers. Over the past 14 years, this study finds that our trade deficit with China has risen more than 20-fold to a record high \$60.3 billion. A total of 1.5 million American jobs were lost because of our trade deficits with China between 1989 and 2003. The new report finds that Maine lost more jobs to China as a share of total state employment than any other state. Maine lost a total of 14,951 jobs, or 2.47% of its total employment due to Chinese imports.

Each and every Mainer should be asking: can we afford to lose another job? Can we afford the Central American and Dominican Republic Free Trade Agreements (CAFTA-DR)? The job loss numbers show we simply cannot.

From 1994-2002, approximately 11,962 workers in Maine have been certified for trade-related adjustment assistance (TAA). Companies like C.F. Hathaway Company in Waterville were particularly hard hit. From 1994-2002, 3,109 workers have been certified for NAFTA-Transitional Adjustment Assistance, the program specifically designed for those who lost jobs due to trade with Mexico and Canada. Gerber Childrenswear in Fort Kent was among those hardest hit by NAFTA. Since 2002, the two adjustment programs have been combined, and 3,244 workers have been certified for the consolidated program.

These trade agreements have created nothing but stagnant incomes and rising inequality. CAFTA, the proposed agreement between the United States and 5 Central American nations - Guatemala, El Salvador, Honduras, Costa Rica and Nicaragua - is likely to be based on the same NAFTA-style model.

This agreement could serve to push ahead the corporate globalization trend that has caused a "race to the bottom" in labor and environmental standards. American companies are often forced to compete with foreign corporations who are not held to the same labor or environmental standards. This creates an unfair imbalance.

The problems with agreements such as CAFTA and FTAA are made far worse by the existence of "Trade Promotion Authority" - formerly known as "Fast Track." This law allows the President and the US Trade Representative to negotiate a trade deal and force it on Congress, unaltered, for an up-or-down vote, with no ability for Congress to amend the deal, offer advice, or fix problems. This shuts out the people's voice in determining the future of their own jobs and economy. That is why I was proud to introduce a bill to repeal Trade Promotion Authority in the last Congress, and will reintroduce this important measure this Congress. It is time for Americans to have a say in what goes into these deals. If their voices could be heard in crafting these agreements, we would see very different deals being struck.

I have long advocated for fair trade, not just free trade, and will continue to do so in Congress. The fight ahead to ensure that these trade agreements are fair for our workers, our businesses, and our state, remains long. We must ensure that all trade agreements respect workers' rights, the environment, health, and human rights. That remains my top priority as Congress moves forward with the consideration of CAFTA.