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DEPUTY WHIP

# United States Senate

WASHINGTON, DC 20510-1903

October 3, 2007

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FINANCE

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RANKING MEMBER, SMALL BUSINESS

Thank you for contacting me concerning pending free trade agreements with Latin American countries. I appreciate hearing your thoughts on this issue.

Irresponsible free trade agreements have continuously had an adverse affect on workers both overseas and in our own state. Over the years, one of my prime concerns has been the effect of exploited labor in foreign countries on U.S. manufacturers. Throughout my years in the House and Senate, I have been a stalwart defender of Maine's industries, like timber, rubber footwear, fishing, and dairy farming, against unfair trade. That is why I opposed the North American Free Trade Agreement (NAFTA) in 1993. NAFTA stands as a paragon of an ill-conceived trade agreement, the provisions of which are not adequately enforced to the detriment of the United States, our industries, and our workers. It was for these same reasons that I opposed the U.S.-Central America Free Trade Agreement (CAFTA) in 2005.

As a member of the Senate Committee on Finance, which has jurisdiction over trade matters coming before the Senate, I also voted against a July 2006 version of the U.S.-Peru Trade Promotion Agreement, after an amendment to add binding, internationally-recognized labor standards failed by one vote. The standards which I sought to make enforceable under this agreement included the following five fundamental labor rights set forth in the *International Labor Organization Declaration on Fundamental Principles and Rights at Work*: the freedom of workers to associate; the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labor; the abolition of child labor; and the elimination of employment discrimination.

Despite the Finance Committee's initial failure to recommend the protection of these common-sense rights—as well as the right to acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health-- as binding obligations in the agreement, the administration subsequently—albeit reluctantly— included them after further consultations with Congress. The inclusion of these binding labor standards potentially marks the beginning of a new chapter in U.S. trade policy. Whereas previous free trade agreements have made reference to these standards, the Peru trade agreement represents the first instance in which they are treated as fully enforceable obligations of the parties, no different from any other provision of the agreement.

It is not only appropriate but essential to demand that these labor standards be binding and enforceable in all trade agreements going forward. The people of Maine are all too familiar with the consequences of our Government's failure to enforce the trade obligations of our trade partners. Besides the obvious human rights concerns that despicable labor exploitation practices raise, they also put U.S. workers and businesses—which must adhere to our robust labor laws—at risk from unfair competition by foreign producers who willfully exploit workers in their facilities. Since 2000, the U.S. has lost approximately 3

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million, or 17%, of its manufacturing jobs. Maine has lost over 21,000 jobs, representing over 26 percent of our manufacturing workforce.

That is also why I carefully consider the impact on Maine jobs of each trade agreement presented to this committee. Constituting less than 1% of total U.S. trade, the U.S.-Peru trade relationship is a relatively small one. To the Maine industries involved in that trade, however, every sale counts. For example, Maine exported over one million dollars in paper products to Peru last year. Similarly, Maine's chemical, machinery and electronics manufacturers each benefit from modest but critical sales to the Peruvian market.

Because of the ongoing and potential benefit to these key industries in Maine, and because of the critical need to ensure that the binding labor provisions included for the first time survive as the minimum standards we require of our trade partners, I decided not to oppose the Peru trade agreement. The agreement was approved by the Finance Committee, with my support, by a vote of 18 to 3 on September 21, 2007. As future agreements come before the Senate, I will remain vigilant in my efforts to see that the concerns of workers and manufacturers in Maine are adequately addressed. Because when it comes to protecting the livelihood of America's workers, no threat is too small.

Again, thank you for taking the time to contact me. I value your opinion and hope that you continue to inform me of the issues that concern you.

Sincerely,



OLYMPIA J. SNOWE  
United States Senator

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million jobs to foreign producers who do not abide by our labor laws. This is unacceptable. We must insist that our trade partners live up to their obligations under international law and that we do the same. This is the only way to ensure that our workers and industries are not put at a disadvantage by unfair trade practices.

Sincerely yours,

Jeff Brown