

(May 21, 2007) Trade and Labor Special Order in the House of Representatives

Congressman Dan Lipinski

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I rise today with serious concerns about the trade policy of our country. This is a concern shared by tens of millions of Americans who have concerns every day about keeping their jobs or they have lost their jobs and being unable to find another job where they could possibly earn as much money as we see the trade policy of this country destroying so many good American jobs.

This trade policy has contributed to a record high, soaring trade deficit. There is wage depression and loss of quality, high-paying jobs. With the Panama, Peru, Colombia, and South Korea trade agreements pending congressional approval, we must take action now to correct the mistakes of previous trade agreements and ensure that any new trade agreements benefit all Americans, be enforceable, and be enforced.

It is clear that our previous trade agreements have not benefited everybody. For evidence of this, look no further than North American Free Trade agreement and the damaging record that it has provided us. Since NAFTA was signed into law, the U.S. has seen enormous amounts of production shift to Mexico and Canada, while real wages for U.S. workers have fallen.

My district, which includes parts of Chicago and its suburbs and the larger Great Lakes region, has been particularly hard hit by job losses. This has been the case especially in manufacturing. Between 1995 and 2005, the United States lost more than 3 million manufacturing jobs. More than one-third of this job loss occurred in the seven Great Lakes States, with Chicagoland losing over 100,000 manufacturing jobs.

Losses in manufacturing jobs are important. I know there are some people who say a job is a job. It doesn't matter. If you lose these jobs, you will get other jobs.

Well, first of all, manufacturing jobs are special. America must be able to make products, first for our national security, but these manufacturing jobs are high-paying jobs, and they are jobs that add so much value and create other jobs in this country. They offer high wages, good benefits, and they offer jobs to many Americans who do not have college degrees. When our manufacturing jobs leave to cheaper labor markets, weaker labor standards, lax environmental protections and to countries practicing unfair trade practices, workers are left behind.

In my district, I hear constantly from manufacturers who are talking about their struggles to compete largely today against China, China's manipulated currency, which is largely undervalued. All the work that these manufacturers are doing to try to keep jobs in the United States, unfortunately, we see so many of these jobs going and so many of these plants closing.

What happens to these workers? Many of them go looking for other jobs. They find jobs in the service sector. Ninety-eight percent of the net new jobs in 1990s were in the service sector. Unfortunately, compensation in the service industry is only 81 percent of the manufacturing sector's average; and then the influx of these displaced workers just drives down these wages even more.

Yet still we always hear from those in favor of these flawed trade deals that trade creates more jobs than it displaces. Unfortunately, the facts show this is not the case. In fact, in the first 10 years after NAFTA, the displacement in production from the United States to Mexico and Canada directly led to a net loss of 879,000 U.S. jobs. My State, Illinois, lost a net total of 47,000 jobs. Mr. Hare knows very well, he has seen it in his district, how hard these losses have hit, as I have seen them in my district. This has decreased our average earnings, our quality of life and our ability to provide for our families.

The fact that our government negotiated trade agreements that yielded these kinds of results is, at best, embarrassing. We must ensure that these mistakes are not repeated in future trade deals.

This year congressional leaders on trade have been negotiating with the administration to improve the pending trade deals with Panama, Peru, Colombia, and South Korea. On May 10, an agreement was announced that would incorporate some environmental and labor protections into the pending trade agreements with Panama and Peru. While this is certainly a start, these negotiations must not be viewed as complete. There is still a lot of work to be done to ensure that we do not repeat the mistakes of NAFTA, CAFTA, and all our other failed trade deals. I hope in the coming weeks and months that Congress can address these past failures and make trade work for everyone.

And in this, also, we must, we must, include addressing currency manipulation, especially by China. Lack of enforcement of intellectual property, which is, again, another problem that hits Americans very hard, unfair subsidies that are given by some countries to some of their industries and dumping that is done, all of these greatly hurt the United States, and we must make sure that all this is included anytime that we are dealing with trade. The livelihood of so many Americans, millions and millions of Americans and their families, depend on it.

We are working together with my colleagues here to make sure that we create good trade deals for America and Americans. The purpose of American trade policy should be to create good jobs for Americans. The bottom line should not just be profits. The bottom line has to be the lives and the work of millions of Americans, and we must make sure that we stand up strong every day for them.