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HOUSE COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON THE WESTERN HEMISPHERE

"NAFTA at Twenty: Accomplishments, Challenges, and the Way Forward"

January 15, 2014

Mr. Chairman, Ranking Member Sires, thank you for your leadership on this important and timely topic and for giving me the opportunity to offer remarks.

For the last year I have had the privilege of leading a commission based at the Annenberg Foundation's Sunnylands Trust, charged with helping to carry on the bold and prescient vision of Walter Annenberg. When the North America Free Trade Agreement was being negotiated over two decades ago, Walter Annenberg was articulating the philosophical underpinnings for the agreement. He was a great believer in our potential as a nation that engages proactively and productively with our neighbors and partners. Though our tendency here in Washington has long been to focus our gaze eastward across the Atlantic toward Europe and the Middle East, Walter Annenberg, from his home at Sunnylands in Rancho Mirage, CA, cast his gaze westward across the Pacific and southward to Latin America.

We passed NAFTA because we knew it was important to our interests to strengthen our partnerships with our two closest neighbors. We knew if we could leverage our respective strengths, we would grow more, and be better able to compete globally. And, we knew how important growth and competitiveness would be to America's security and wellbeing in the very different world that was then dawning.

The 20th anniversary of that historic agreement is a good moment to look back and assess its achievements and its shortcomings. But it matters a lot more for us to use this moment to look forward, draw the right conclusions, and lead.

That's an opportunity for Democrats, Republicans, the Congress, the White House, and the private sector. What is the future of America's role in the worldwide marketplace and how can our North American partnerships be a force multiplier in this role?

NAFTA was revolutionary two decades ago, but we are at the threshold of even greater opportunities today. That is why the last two administrations have pursued a broader vision. Today our strategic stake in an ever-greater flow of goods, services, capital, information, ideas, and people dramatically exceeds anything imaginable when NAFTA was implemented. The rise of China, and other big emerging economies, has fundamentally altered the landscape of the worldwide marketplace.

The fundamental question today, as we reflect on NAFTA, is much bigger than how to increase trade among the U.S., Canada, and Mexico. The big challenge is to build and leverage a North

American economy that becomes a platform for leadership and growth in the broader global economy, spanning the Pacific and Atlantic Oceans.

We need to harness the power of our combined workforces, energy resources, innovation, and investment to create the world's most successful global competitor. To create a 21st century partnership that drives unparalleled growth, job creation, widespread prosperity, and creative solutions to the shared challenges we face.

Our NAFTA partners are integral players in the drive to conclude what will be the biggest, most ambitious, highest-standard free trade agreement in the world, the Trans Pacific Partnership. Our efforts--all of our efforts--to meet TPP's requirements will effectively update, upgrade, and strengthen NAFTA.

Presidents Obama and Peña Nieto and Prime Minister Harper have all expressed enthusiasm for building on NAFTA's solid foundations--and taking steps that strengthen the platform as we reach more boldly across the Pacific and Atlantic. Secretary Kerry further articulated the Administration's view in his excellent address to the OAS late last year. All signs point to a productive trilateral discussion when our three leaders meet in February.

Mr. Chairman, today's hearing is timely. There is a ripe opportunity for Congressional leadership to help secure our economic wellbeing for generations. Trade has always been politicized. But I am encouraged at the resurgence, in the last few years, of bipartisan support for trade liberalization. I can think of no other initiative with a bigger potential payoff in terms of human opportunity, economic growth, and America's global competitiveness. As elusive as bipartisan cooperation has often been, we have a tremendous opportunity for a Republican House, a Democratic Senate, and President Obama to work together. Progress on virtually every major challenge we face as a nation -- from security to immigration to jobs to energy -- can be enhanced through a stronger, more vital North American economy and workforce, competing in a growing global economy. I commend the Subcommittee for the important work it is conducting and encourage you to seize this opportunity to look forward and think boldly as you contemplate and assess NAFTA's first 20 years.

For many years it has been fashionable, at home and abroad, to talk about American economic decline. But that view is just false. America is not in economic decline. Yes, we have challenges. As we address them, investors all over the world continue to bet massively on our economy. That's not because of sentimental reasons. It is because they smell success and opportunity.

We are at the start of what could be one of the most remarkable periods of growth in our history. Revolutions in energy and food production, transformational new technologies, good North American demographics, and a resilient culture of innovation, create amazing new possibilities. American manufacturing, once written off by many, is on the rise.

But nothing is inevitable. We are well positioned to benefit dramatically from the world that is emerging-- provided we are wise enough to support policies that favor that. And provided we lead in shaping a world where economic growth can beget human opportunity and spur collaboration on big global challenges.

Our global leadership -- of which NAFTA is a prime example -- has helped get us to the inflection point we're at today. Continuing to lead on trade, perhaps more than on any other issue, may determine how the promise of the 21st century plays out for our people and the world.

Thank you Mr. Chairman.