

Testimony of Congressman Doc Hastings  
House Committee on Ways and Means  
“China’s Trade and Industrial Policies”  
June 16, 2010

My district in Central Washington is one of the most diverse agriculture producing areas in the nation and the top producer in the nation of apples, pears, cherries, and hops. Agriculture is the economic foundation of this area. Farmers, growers, packers, and shippers rely heavily on international export markets, including the Chinese market, to sustain their businesses. More than 98 percent of people in the world live outside the United States. So it is important to foster trade agreements with other nations so that agriculture and other industries are able to expand markets to reach these new consumers.

As my colleague Mr. Reichert knows, Washington is the most trade dependent state in the nation with one in every three jobs in our state are tied to trade, and China is a growing part of that trade. In fact, China is one of the top ten markets for apple exports from our state and continues to be a growing market for our cherries, both commodities that generate thousands of jobs and help grow our local economy. As such, the agriculture community in Central Washington continues to work to open China to more and more agricultural products from our area.

While increasing timely market access to China for apples, cherries, and pears is a priority for Central Washington, it is also important to ensure fair trade standards are being met and that China uses the same regulatory standards that the United States adheres to. Ensuring that fair, stable, and science-based standards are transparently enforced has been a problem for many agricultural exporters to China.

Enforcing fair trade agreements is also of concern in the ongoing dispute with Mexico. A situation created where our own government acted arbitrarily and failed to abide by treaty commitments regarding the use of Mexican trucks within the United States.

The United States should lead by example and follow the rules of trade agreements we have negotiated with other countries. For the past 15 months, the federal government has failed to resolve the federal policies that led to a 20 percent Mexican tariff on 90 American products.

Mexico is the number one market for Washington state processed potatoes, pears and a top market for cherries. Our growers and processors have lost millions of dollars since the tariffs were imposed. Since the tariffs went into effect, the U.S. potato industry has lost 42 percent of its market share in Mexico to Canada – creating a loss of \$30 million. In my district, this issue was a contributing factor to 250 people losing their jobs in Prosser, Washington.

I have repeatedly heard from members of the Administration that a proposal is being finalized to resolve this dispute with Mexico. However, no information or details have been made public. The Administration must act on this dispute in order to put our agricultural economy back on track and ensure that the United States is in compliance with our trade obligations.

The Administration and Democrats in Congress also need to take steps to enact pending fair trade agreements with Colombia, Panama, and South Korea. While China has been pursuing a number of trade opportunities with new markets for its exports, the Obama Administration has not acted on any of our pending fair trade agreements. These no cost job creators have been left to languish with no resolution in sight.

Colombia, Panama, and South Korea have had open access to U.S. markets for decades. Enacting these fair trade agreements would immediately level the playing field especially for American agriculture, while at the same time creating jobs in Central Washington and throughout the nation.

For example, if the Colombia Fair Trade Agreement was implemented today, one analysis shows that the American Agriculture sector alone could grow by eight million jobs. For the agreement with South Korea, most consumer and industrial products would become duty-free within three years, and virtually all of the rest within 10 years. Actions that would allow U.S. companies to expand and create new jobs.

Mr. Chairman, I appreciate the opportunity to testify today about the importance of international trade to my Central Washington district, and to job creation throughout the United States. As I have just summarized, when the United States is able to enter into, and follows through on, fair trade agreements, everyone wins. My constituents in Central Washington are ready and willing to ship the world's finest agriculture products to nations like Colombia, South Korea, Panama, Mexico and China, but it will take action by the committee and this Congress to expand trade opportunities and create new jobs and grow the economy.