



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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Baucus Urges Free Trade Agreement with Thailand

Senator Joins Colleagues in Sending Letter to President to Encourage Support for Trade Initiative

(WASHINGTON, D.C.) U.S. Senators Max Baucus (D-Mont.) and Gordon Smith (R-Ore.), today sent a letter to President Bush urging him to announce the launch of free trade agreement (FTA) negotiations with Thailand during the President's trip there next week. The letter was signed by an additional eight Senators, including key members of the U.S. Senate Finance Committee.

Baucus, who has long supported FTA negotiations with Thailand, said he was optimistic the President would announce Thailand as the newest FTA negotiating partner. The President is traveling to Bangkok, Thailand for the annual Asia-Pacific Economic Cooperation (APEC) summit meeting on October 21-22, 2003.

"Pursuing a free trade agreement with Thailand is the right thing to do for both America and Thailand's economy," Baucus said. "Thailand is a good-sized developing country that offers real commercial opportunities for American farmers, workers, and businesses."

In the past, Baucus has questioned the Administration's selection of FTA partners and urged a selection of countries that will provide a real economic benefit to our country.

"With both the World Trade Organization and the Free Trade Area of the America's talks apparently stalled for the short-term, we have to be focusing our trade policy on jobs and the economy -- and that means putting commercial considerations first when we are choosing FTA partners," Baucus said. "I appreciate the role that foreign policy plays in trade, but it can't be the sole driver of our trade policy."

Baucus has also expressed serious concern about the lack of an effective trade policy in Asia and the failure to build upon the successes of the 1990s in U.S. trade with Asia. Baucus has repeatedly suggested free trade negotiations with Thailand and other significant Asian markets as a way to address these criticisms.

While some in Congress and the Administration remain cool to the idea of negotiations with Thailand, Baucus has suggested that, "U.S. commercial interests should trump hard feelings over the collapse of the WTO talks in Cancun. Concerns with Thailand can be dealt with during the bilateral talks. There are difficult issues we'll have to address, to be sure. But I'm confident that through a continued open dialogue and a spirit of working together, we can successfully tackle our differences in the context of the negotiations."

Full text of the letter follows:

October 17, 2003

President George W. Bush
The White House
Washington, DC 20500

Dear Mr. President:

We urge the Administration to announce the commencement of negotiations for a bilateral free trade agreement with Thailand at the upcoming Asia-Pacific Economic Cooperation (APEC) meeting in Bangkok, which will take place October 20-21, 2003.

The United States and Thailand enjoy a vibrant economic relationship, characterized by a rapid increase in trade and investment flows over the last decade. U.S. imports from Thailand grew by 210% from 1990-2000, while U.S. exports to the Kingdom of Thailand grew by 120%. U.S. investment in Thailand – concentrated in the petroleum and chemicals, finance, consumer products, and automobile production sectors – grew by nearly 300% during the same period and is now estimated to be in the range of \$16-18 billion. More so than with many other potential bilateral partners, a free trade agreement with Thailand offers real commercial opportunities for U.S. farmers, workers, and businesses.

Thailand also is the oldest U.S. treaty ally in Asia, with relations dating back to 1833. Thailand is a strong supporter of our war on terrorism and is under consideration to be named a major non-NATO ally. Thailand supports us in Iraq, with a military reconstruction team, and in Afghanistan. As part of the mutual defense cooperation over the last decade, Thailand and the United States have developed a vigorous joint military exercise program that now averages 20 joint exercises per year. The United States and Thailand also work closely together and with the United Nations on a broad range of programs to halt the flow of narcotics.

As the breakdown of the WTO talks in Cancun demonstrates, the United States should aggressively seek to liberalize trade through bilateral free trade agreements with our trading partners as well as through the Doha Round negotiations. The size of Thailand's economy and the depth of our economic ties, as well as the strength of our relationship with Thailand overall, make Thailand an excellent choice. We urge you to announce the launch of free trade negotiations with Thailand at the upcoming APEC summit in Bangkok. Thank you for your consideration of this matter.

Sincerely,

Senator Max Baucus
Senator Gordon Smith
Senator Christopher Bond
Senator Patty Murray
Senator John Breaux
Senator Conrad Burns
Senator Craig Thomas

Senator Benjamin Nelson
Senator Robert Bennett
Senator Peter Fitzgerald

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