

 MAY 16, 2023

SENATOR CARPER CALLS ATTENTION TO THE IMPORTANCE OF ECONOMIC COOPERATION IN THE WESTERN HEMISPHERE

On Tuesday, May 16, 2023, the Finance Committee's Subcommittee on International Trade, Customs, and Global Competitiveness of the Committee on Finance held a hearing.

(<https://www.finance.senate.gov/hearings/economic-cooperation-for-a-stronger-and-more-resilient-western-hemisphere>) on "Economic Cooperation for a Stronger and More Resilient Western Hemisphere."

Listen to the full opening statement here

(<https://www.youtube.com/watch?v=cVU0ZgwbNJw>).

Below is the opening statement of Senator Tom Carper (D-Del.), Chair of the Subcommittee, as prepared for delivery:

"Good afternoon everyone. Thank you to our witnesses for joining us today. I would also like to thank our subcommittee Ranking Member, Senator John Cornyn – and his staff – for helping to arrange this hearing. Today, we have come here to better understand how we can foster trade and economic cooperation throughout the Western Hemisphere. One of my favorite African proverbs is 'If you want to go fast, go alone. If you want to go far, go together.'

"Today we have a real opportunity to go far together. How? By better understanding how our trade partnerships are mutually beneficial and vital to the health of the global economy. We have already seen our regional partnerships help tackle shared challenges, including climate, migration, and security issues. Our global economy is increasingly shaped by regional cooperation, and that includes enhancing supply chain resiliency and nearshoring manufacturing. These are issues that I know we all agree on, no matter your party affiliation. And one way to increase regional cooperation and secure our supply chain is by working with our trading partners to build a stronger and more resilient Western Hemisphere moving forward.

"Together, we can help our own economy while also helping our allies improve their economies. Greater collaboration across the region will support economic growth and job creation for people looking for opportunity and stability in the workforce. On the heels of Mother's Day, thanks to my mother, I have tried to live my life by the golden rule: treat others the way you would want to be treated. And I suspect I'm not the only person who was raised this way. We have a shared interest, and a moral obligation, to help our partners have stability so that their children and families can be safe, have access to education, and hope for a future filled with opportunities.

"For years, I have been focused on addressing the challenges people face in the Northern Triangle which includes El Salvador, Guatemala, and Honduras. And earlier this year, I led a bipartisan, bicameral Congressional delegation to Mexico, Guatemala, and Honduras. There, in addition to meeting with leaders of those countries, we saw firsthand the need for greater economic opportunity, stronger rule of law, more educational and workforce training opportunities and policies we can implement with our partners to stem the flow of migration. Our delegation met with

government officials, private sector leaders, and other stakeholders across all three countries to listen, learn, and develop solutions together. And despite many of the challenges we witnessed, there is also reason for hope for them and for us.

"In Mexico, we heard about how the U.S.-Mexico-Canada trade agreement, also known as USMCA, has provided certainty for businesses operating across North America, while also bolstering protections for workers and helping to protect the environment of our planet on which we all live. And in Guatemala and Honduras, we saw how the significant private sector investments spurred by the Biden Administration are creating jobs, expanding access to capital for small businesses, providing workforce training and education, and improving economic outcomes. We also saw the important role of the textile industry in creating jobs and opportunity throughout the region. And through visits to U.S. State Department-funded programs, like migrant children's shelters and coffee exporters, the positive impact on the ground was clear. Despite these successes, this trip underscored that there is more work that we can do – and they can do – to support economic growth, security, and resiliency throughout the region.

"I am pleased to have our witnesses here today to share their insights into how policymakers can use trade and economic tools to achieve these goals, and ultimately to work with our allies to chart a strategic path forward that advances the interests of the entire hemisphere. The Biden Administration has already taken steps to promote greater cooperation across North and South America. One example is the 'Call to Action' initiative. It is led by Vice President Harris and is spurring billions of dollars of private investments and creating meaningful economic opportunities in Central America, while helping to sustainably address the root causes of migration. U.S. Trade Representative Katherine Tai and Secretary of State Tony Blinken also recently launched a new forum for economic collaboration across the region to increase supply chain resiliency, expand sustainable and inclusive trade practices, and support our climate goals. Today, I am eager to hear from our witnesses about how we can use these initiatives to meaningfully engage with our allies to address the range of challenges facing the Western Hemisphere.

"Importantly, free trade agreements are one key to creating economic growth and resiliency in the region. With the successful renegotiation of the USMCA, we now have a model for how we can bolster trade across the Western Hemisphere – and across the globe. Throughout the example of USMCA, we have seen that it is possible to create market opportunities and update our trade policies for a 21st century economy, including establishing strong and enforceable standards to protect workers and our environment. While it is not a perfect agreement, it gives us a roadmap for how we can use trade to boost economic growth and foster a nurturing environment for job creation in our country, and those of our trading partners. Toward that end, I hope we can consider opportunities to modernize and strengthen some of our other trade deals throughout the region, including the Central America Free Trade Agreement and some of our bilateral agreements and investment frameworks throughout Latin America.

"Another major economic and security consideration for the Western Hemisphere is China's footprint in the region, especially when their actions run counter to the strategic goals of the United States and our allies. Whether we're talking about vulnerabilities in our supply chains due to over-reliance on China for critical materials, or China's use of financial assistance to advance their political goals, we need deeper coordination with our allies to tackle these challenges. For example, I have been eager to find ways for the United States to work more closely with our allies to bolster the resiliency of our medical supply chains, including life-saving medical treatments, devices, and other equipment. I'll be introducing legislation in the coming weeks to support the resiliency of our medical supply chains by shifting investments out of China and into the Western Hemisphere.

"I often times say, 'Find out what works, and do more of that.' I hope that today's hearing leads to a better understanding of what works to strengthen trade and economic coordination across the Western Hemisphere, including using diplomatic and economic tools to advance our shared values and our shared goals. Once more, let me thank our Ranking Member and the witnesses appearing before us today, as well as our staffs. With that, I'd like to turn it over to Senator Cornyn for his opening statement."