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"International Trade Creates Montana Jobs"

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(1) Subject*: **International Trade**

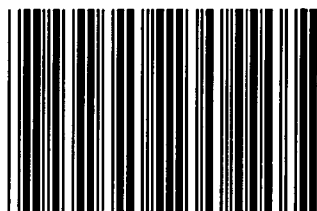
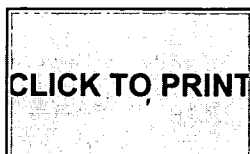
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(2) Subject* **Trade Creates Jobs**

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July 9, 2004

International Trade Creates Montana Jobs

By Max Baucus

Throughout my years in public service, people have often asked me why I support international trade. The answer is simple: knocking down trade barriers and opening markets to Montana products creates jobs for Montanans.

Did you know that twelve million Americans – one out of every ten workers – depend on exports for their jobs? And these jobs pay more – thousands of dollars more a year – than jobs unrelated to trade.

Not only is trade pivotal to our national economy, trade plays a critical role in Montana as well. Nearly 6,000 Montana jobs depend on exports of manufactured goods. And more than 730 companies, mostly small- and medium-sized businesses, export from Montana.

Farmers and ranchers also increasingly benefit from international trade. Nowhere is that more true than in Montana, where we export 70 percent of our high-quality, high-protein wheat. And Montana's world-class beef typically sells abroad for a higher price than it does here.

The North American Free Trade Agreement, or NAFTA, while far from perfect, is a good example of how trade agreements can help create jobs. Take a look at the Montana impacts of NAFTA to date:

- In ten years under NAFTA, Montana's total exports to Mexico jumped nearly seven-fold.
- Montana exports to Canada rose by more than a third.
- Between 1999 and 2003, Montana's exports of crops, including wheat, barley, and dry beans, to Mexico and Canada increased by over 200 percent. That's more than five times the national average.
- Also under NAFTA, Mexico dropped its tariffs on live cattle and chilled/frozen beef.

Trade also means more affordable products and greater variety for Americans. New trade agreements act like tax cuts for working families. Studies suggest trade agreements negotiated in the last decade save the average family of four between \$1,300 and \$2,000 every year. That helps hard-earned paychecks go further.

When I question the government's choice to pursue a trade agreement, I have two options. I can sit on the sidelines, expect the worst, and hope for the best. But that means my priorities – Montana's priorities – may not be pressed at the negotiating table. So I choose instead to engage. I roll up my sleeves and use my position as the highest-ranking Democrat on the Senate Finance Committee to shape the best possible agreements for Montana.

-more-

I also make the case for trade with Montana directly by leading business delegations to current and potential export markets, such as China, Thailand, and Cuba. My position on the Finance Committee gives me direct access to key foreign leaders, opening doors that can provide Montana more and better markets for our products. A good example is our recent trip to Asia, where I urged Japan to reconsider its unfair exclusion of U.S. beef based on exaggerated fears of BSE.

This strategy of engagement has paid off time and again – most recently with the United States-Australia Free Trade Agreement. Australia is a strong market for American manufactured goods and it's also a key launching pad for reaching Asian markets. Montana companies already export \$3.4 million of industrial goods to Australia, and our manufacturers, pork and technology industries stand to gain more from free trade with that country. In addition, wheat growers will benefit from Australia's commitment to help us reform unfair state trading enterprises, such as the Canadian Wheat Board and their own Australian Wheat Board.

Still, the talks with Australia caused justifiable anxiety in our ag community – particularly in beef, dairy, and sugar. That's why, for the last two years, I've worked hard to ensure that negotiators on both sides accommodated the needs of Montanans.

Because I engaged constructively, negotiating firmly at the table, they met me more than half way on the Australia agreement. We now have a deal that includes strong protections for important Montana products, such as beef and sugar. These protections for agriculture wouldn't have been included in the agreement had I just said "no" to trading with Australia from the get-go.

Trade is about more than simple economics. When we trade, we don't just export wheat and cars, we export our ideas and values. We export freedom. Through trade, we can help lift countries out of poverty, strengthen our relationships around the world, and create jobs here at home at the same time.

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Editor's Note: Max Baucus is Montana's senior U.S. Senator and the highest-ranking Democrat on the Senate Finance Committee, which has jurisdiction over international trade policy.