



# INTELLIGENCE COMMITTEE

*U.S. Senator Kit Bond* ■ *Vice Chairman*

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**COMMENTS OF U.S. SENATOR KIT BOND  
VICE CHAIRMAN OF THE SENATE INTELLIGENCE COMMITTEE  
ON THE UNITED STATES – COLOMBIA TRADE AGREEMENT**

**THE BROOKINGS INSTITUTION**

The Colombia Free Trade agreement represents one of the most important foreign policy and economic opportunities before this Congress.

It is an economic opportunity to increase further exports -- particularly at a time when our economy has slowed down, the dollar is weak and we should be supporting policies that will create jobs and boost exports.

The U.S.-Colombia FTA also represents a key opportunity to solidify an alliance with a friend and ally in a part of the world full of anti-American socialists, such as Hugo Chavez of Venezuela.

The President's bold step to advance the Colombia Free Trade Agreement is something we all should support.

And I thank the Brookings Institution for hosting this event today. Events such as this will help keep this important issue on the front burner and underscore the importance of why we in Congress must approve the U.S. Colombia FTA.

I thank my colleague and neighbor to the north, Sen. Chuck Grassley, for his leadership on this issue and for his longstanding support for free and fair trade policies.

I have long believed that trade and commercial ties are one of the most effective arrows in America's quiver of Smart Power.

There is a huge threat to the global community, and that is ideological terrorism. All free nations such as the United States and Colombia must work together to defeat this common threat -- and that is exactly what we have been doing with Colombia.

We cannot win the War on Terror on military might alone. The War on Terror can only be won by winning the war of ideas and public opinion in addition to using kinetic force against imminent threats.

That is the premise of the idea I call Smart Power.

The *Woods Report on Agency for International Development* underscored the need for Smart Power and it is even more true today than when it initially came out.

Examples of Smart Power include:

- Missouri's National Guard Ag Development Team working with farmers in Afghanistan;
- Increasing Peace Corps volunteers providing humanitarian assistance;
- Educational exchanges;
- Assisting the government of Indonesia during tsunami disaster in 2004;
- Assisting Burma/Myanmar following last week's cyclone disaster;
- And, as we are here to discuss today, promoting free trade -- trade that develops economies, raises standards of living and diminishes the sea in which terrorists swim.

Smart Power is a realistic way of looking at global problems post-9/11.

As the Vice-Chairman of the Senate Select Committee on Intelligence and a long-time believer in the power of free trade, I believe this agreement is in both our national-strategic best interests as well as our economic best interests.

First, let me discuss some of the geopolitical and strategic benefits and why Colombia, as a partner with the U.S., has demonstrated that it is worthy of such an agreement.

A U.S.-Colombia FTA represents an affirmation of U.S. support to our friends and strongest ally in an increasingly left-leaning continent.

President Uribe's administration finds itself surrounded by states determined to undermine Colombia's burgeoning democracy.

These states provide safe haven to insurgent groups, allow freedom of maneuver in border areas, and provide monetary support for their drug/terror activities.

And I am sure Hugo Chavez would love nothing more than to see this deal fail.

Such an event would embolden his support for rebels in Colombia and undercut American interests in the region.

The question we ought to be asking ourselves is do we support Hugo Chavez or do we support Alvaro Uribe?

President Uribe, has implemented far-reaching policies to protect labor union members -- policies that have led to a general decline in violence, and an even greater decline in violence against union members.

Murders in Colombia overall decreased by nearly 40 percent between 2001 and 2007, and murders of union members were reduced by over 80 percent.

The Revolutionary Armed Forces of Colombia -- or FARC -- is still functioning, although diminished by

Legal reforms have been implemented under President Uribe to transform the judicial system and increase the number of prosecutions.

In October 2006, a special subunit within the Unit of Human Rights was set up to investigate and prosecute 1,262 criminal cases of violence against trade union members.

President Uribe has pushed back Marxist guerrillas of the Revolutionary Armed Forces of Colombia and the National Liberation Army (ELN).

It is important to remember that the FARC insurgent group currently holds more than 700 political and military prisoners -- three of whom are Americans.

This regime has been behind some of the most disturbing human right atrocities over the past three decades and finances its operations by facilitating the drug trade.

Earlier this year, the interdiction of two high value targets, senior terror planners and former operators was a testimony to President Uribe's commitment to ending terror operations in his country.

The capture of laptops in one of these interdictions on a FARC camp has yielded plenty of intelligence tying Venezuelan leader Hugo Chavez to the terrorists.

Chavez has opened Venezuela as a refuge to FARC, while Colombia battles the Marxist terrorists and has tried to elevate their prestige in the region.

At one point, Chavez tried to arrange a meeting between himself, FARC leader Manuel Marulanda, Nicaragua's Daniel Ortega, and Bolivian president Evo Morales.

The Venezuelan is engaged in a high-stakes competition over the political and economic direction of Latin America.

He wants the region to follow his path of ever greater state control of the economy, while assisting U.S. enemies wherever he can. He's already won converts in Bolivia and Ecuador, and forming alliances with the likes of Iran and Russia.

If the leadership in the Congress is concerned about improving America's image abroad -- fighting to keep illicit drugs off our streets, and preserving America's strategic interests in its own backyard -- then why don't we start by helping out a key friend that we do have.

What would the rejection of this agreement say about America's commitment to our friends around the world?

Friends like Colombia, and Korea I might add, who are helping us fight terrorism, who want to open up their markets to U.S. goods and who embrace America's values are allies we must support.

Colombia under the leadership of President Uribe has made tremendous strides and implemented successful reforms over the last 5 and a half years.

Colombia is a functioning democracy in an area surrounded by socialist, anti-American vitriol.

The fact that Colombia still faces challenges and needs continued reforms, should not lead us to withdraw support for this agreement.

Rather, we should increase our support to help Colombia strengthen its democratic institutions, implement continued social reforms and strengthen its legal proceedings.

Approving the Colombia FTA will embolden President Uribe to continue to make these positive reforms and keep Colombia on the right path.

And as if the strategic and geopolitical benefits of helping this key ally were not enough, I also believe it is in our best economic interests to support free trade as well.

My friend Sen. Grassley already covered the economic benefits of the agreement, but I have a few points too if I may.

As anxiety increases about what many analysts have said is the beginning of a recession, a sure way to help head it off is through increasing free trade and opening up markets abroad to sell U.S. goods.

Yet, the Colombia Free Trade agreement, as have other negotiated FTAs, have been held hostage by short-sightedness and politics.

And these politics are denying American producers and exporters expanded markets. As Sen. Grassley mentioned, according to the U.S. International Trade Commission, annual exports to Colombia would increase approximately \$1.1 billion.

We already export over \$1 billion in agricultural product to Colombia, which represents the largest market for U.S. agriculture in Latin America.

52 percent of U.S. exports to Colombia will receive immediate, duty-free treatment -- with almost total duty-free treatment over a period of the next ten years.

Colombia already has very low tariffs in exporting to the U.S.

Now that sounds like a good economic stimulus plan to me!

Exports diversify our economy, shield it from shocks in the domestic consumer market and, help to close trade deficit that we hear so much about.

According to the U.S. Chamber of Commerce, the U.S. exports to free-trade countries at twice the rate of non-free-trade countries.

And according to a Business Roundtable Study, in 2004, a fifth, or 31 million, of U.S. jobs were linked to exports – double the pre-NAFTA era.

Just look at the state of Washington, for example, where one in three jobs depends on international trade.

But unfortunately, far too many have not learned from mistakes made in the past. President Hoover, who has been widely criticized for his hands-off approach to the economy that brought about the great depression, actually ought to be criticized for his actively destructive policies that turned a recession into a depression.

And now, years later, these same destructive policies of Hoover-economics, are rearing their ugly heads.

In 1930, President Hoover signed the Smoot Hawley Tariff Act, setting off a wave of protectionist retaliation that did even more damage to the world economy than the initial stock market crash did in 1929.

Two years later he undid the Coolidge-Mellon tax cuts, raising the top marginal income tax rate to 63 percent from 25 percent.

And here we are, in 2008, staring over the cliff of a recession and some leading politicians are bent on denying free-trade agreements and talking about tax increases.

At a time when the dollar is weak and our exports are more competitive in the world market, we ought to be working to increase further market access abroad, not shut out American producers.

Free trade expands not only economic and commercial ties, but it also strengthens critical cultural ties and strategic alliances -- ties and alliances that help build a more peaceful and stable world.

And at a time when America's image is suffering in the world and our economy at home is slumping, we should be helping our friends and allies and expanding export opportunities around the world.

Yet, many in Congress and elsewhere who seem to think we can improve our image are talking with rogue regimes like Syria and Iran, rather than working to expand trade and economic activities with our friends in places like Colombia, Korea and Panama.

Their denial of the Colombia FTA damages our ability to maintain and forge new strategic alliances with countries of the world.

In fact, it says to the rest world, the U.S. is closed for business and that if you partner up, work with us and assist us, we will stick it to you.

Secretary of Defense Robert Gates stated recently:

*“Continued progress in Colombia is essential to stability in the region...the U.S.- Colombia Trade Promotion Agreement will help a neighbor and longtime ally continue putting its house in order under very difficult circumstances. It offers a pivotal opportunity to help a valued strategic partner consolidate security gains, strengthen its economy and reduce the regional threat of narco-terrorism. This is an opportunity we cannot -- and must not -- ignore.”*

Continuing to delay and deny the U.S.-Colombia FTA will disadvantage America's economy and most certainly damage our reputation in Colombia, Latin America and throughout the world.

Thank you for listening and I look forward to your questions.

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