

Americans turning tepid on trade

By Anthony Faiola
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WASHINGTON — As President George W. Bush's administration races to push new free-trade agreements with Colombia, Panama and South Korea through Congress before leaving town next year, it is meeting a level of resistance observers call high even by the typically contentious standards of such debates.

It happens as the Bush administration is confronting the most-hostile domestic environment toward free trade in years.

Recent polls suggest more Americans than ever before view globalization as negative, blaming free trade for the loss of millions of manufacturing jobs that have moved abroad.

As the economy falters, populist pundits of the Lou Dobbsian school are blaming reckless trade deals. In a hotly contested election year, Democratic candidates are jockeying for the labor vote, questioning the wisdom of accords such as the North American Free Trade Agreement, or NAFTA. Advertisement

Anti-globalization sentiments at home are nothing new. Think back to Ross Perot's "giant sucking sound," or the rock-throwing protesters at the World Trade Organization meeting in Seattle in 1999.

But observers say the stalled Colombia, Panama and South Korea deals are raising a fundamental question for the United States. At a time when faith in free trade is failing in various corners of the world, particularly Latin America, is Washington still a true believer?

In the post-World War II period, free trade emerged as America's economic mantra, Uncle Sam's recipe for developing nations seeking to fight poverty and integrate globally. But even as economists are grumbling about resurgent resistance to open markets by emerging economies including India and Brazil, perhaps the most notable shift is happening inside the United States.

"It's very alarming," said Commerce Secretary Carlos Gutierrez. "This is the very time for us not to have second thoughts or convey a lack of confidence in free trade to the world."

The power of global trade, foreign investment and open markets is lifting hundreds of millions of out poverty in China.

But implemented the wrong way, and mixed with ill-conceived government policies, it can produce tragedies such as Argentina's spectacular economic collapse in the early 2000s. Many in Buenos Aires blamed the crisis, at least in part, on steep losses in domestic manufacturing jobs as lowered trade barriers brought a flood of cheaper, foreign-made products.

The Bush administration's first showdown is set to come over the agreement with Colombia, an accord whose significance is more symbolic than economic. Colombia's economy is smaller than that of many U.S. states, though the fate of its free-trade agreement is likely to be seen as a bellwether for U.S. trade policy.

Leading Democrats and some Republicans cite numerous reasons to oppose the deal. Of overriding concern, they say, is a pattern of murders against union members there and what they call the inability of leaders in Bogotá to adequately address the problem. But critics also insist that the administration has yet to prove the deal, as well as those with South Korea and Panama, would benefit average Americans.

Seeking to answer that, Sens. Byron Dorgan, D-N.D., and Sherrod Brown, D-Ohio, presented legislation last week that would make it more difficult to pass trade agreements unless they are accompanied by a more thorough financial analysis.

The senators and other opponents argue that the problem isn't the concept of free trade, but that the Bush administration has been soft on enforcing fair trade.

Seoul's automakers, for instance, would win greater access to the U.S. market under its pending deal despite charges that the Koreans have failed to uphold earlier promises to open their markets to American-made cars.

Although the new accord would mandate wider access to the Korean market for U.S. automakers and provide for penalties if that doesn't happen, Democrats call it too little, too late.

Free trade "isn't our piñata, it's not that somebody has a blindfold on and is striking at it," said Rep. Sander Levin, D-Mich., chairman of the trade subcommittee. "What's happening here is that we've had years of a passive trade approach from this administration. They have had a mindless policy that even if trade is one sided, it's better than nothing."

Critics also argue that while free trade may have brought down prices of household goods for millions of Americans, the cost of those bargains has been borne by exploited laborers abroad. They point to disclosures last year that scores of workers in apparel factories in Jordan, booming since that country reached a free-trade accord with the United States, were laboring under slavery-like conditions.

Colombian business leaders, however, offer a very different picture. They say that the expanded trade preferences already being offered to Colombia by the United States,

which would be made permanent by the passage of a comprehensive free-trade agreement, have created a large number of desperately needed jobs.

Colombia's current trade preferences expire this month. Though administration officials and Democrats alike say an extension is likely to pass soon, a full-blown trade deal, the Colombians say, would help them solidify gains by avoiding the need for a congressional renewal every few years.

Additionally, a free-trade accord would offer reciprocity for the first time, granting U.S. companies, which must pay tariffs on their exports to Colombia, the same duty-free status with the United States that most Colombian exporters enjoy.

Time lines are even less certain for accords with Panama and South Korea. A vote on Panama is unlikely until at least after the expected departure in September of its National Assembly president, who was indicted in U.S. courts for allegedly killing an American serviceman.

The Korean deal, meanwhile, is almost certain not to move to a vote until Seoul lifts a four-year old ban on U.S. beef stemming from the 2003 mad cow scare in Washington state.

But given the opposition to the agreements, both are likely to remain on ice until at least after the U.S. elections in November.

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