

U.S. best served by fair trade with South Korea

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San Francisco Chronicle
November 10, 2010

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/11/09/EDEK1G9EOD.DTL>

Obama administration officials are in Seoul this week for talks that could well determine the president's re-election prospects. Last week, the president said that he would give the "maximum effort" to resolve problems with the U.S.-South Korea trade deal inked by President Bush. The next few days will show whether the president intends to adopt the controversial deal as his own, or push for significant reforms that could gain broad support.

The South Korea deal is modeled on the North American Free Trade Agreement, as have been more than a dozen subsequent deals. Despite promises by their corporate proponents, the export of American-made products to these countries has grown more slowly than to other nations, while the export of U.S. jobs has accelerated.

The investment provisions of these deals allow multinational corporations to challenge domestic policies in foreign tribunals - outside of the democratic checks and balances that keep national judicial systems in check. Under NAFTA alone, governments have paid more than \$300 million to corporations for the privilege of enacting new rules to protect the environment, consumers and more.

Members of Congress and Democratic groups have demanded that these provisions be eliminated. The president himself campaigned on the issue in 2008, noting that the U.S. judicial system was strong and that foreign investors shouldn't be able use trade pacts to challenge public interest and safety laws.

The political case for reform is also compelling. Bill Clinton was the last Democratic president to adopt a Bush-negotiated trade agreement, and he found out that there's no surer way to lose voters' support.

Recent polling confirms that Americans do not see their family or the country benefiting from pacts like NAFTA, and are most likely to back candidates that agree. Indeed, Public Citizen's analysis of the top 182 competitive races in last week's election found that House Democrats who ran on fair-trade themes fared better against the GOP tidal wave than those who did not. Tea Party and swing voters are also concerned about unfair trade agreements and job offshoring; Republican candidates who adopted these themes will be a strong presence in the next Congress.

Despite this, the Republican leadership quickly rolled out two post-election themes: first, that its primary objective will be to unseat Obama; and second, that the GOP would be willing to work with the president to pass the pending pacts with South Korea, Panama and Colombia.

These objectives are connected. If Republicans can get the president to flip-flop on his campaign commitments and take a highly unpopular position on trade, they are more likely to secure his defeat.

The Obama administration should adjust its political hearing aid, or seek counseling for its political death wish. The administration still has the opportunity to change course on the South Korea agreement and deliver trade reform that voters in blue states and red states alike can believe in - in 2012 and beyond.

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