

Trade agreements seen as crucial

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Capital Press
September 18, 2007

With Congress back in session, the U.S. Trade Representative, the USDA and other federal agencies are pushing for the passage of four free trade agreements that have been described as crucial to the U.S. economy and its standing in the world.

Aside from economic considerations, the deals - especially with Colombia, Panama and Peru - will be reinforce positive political relations between the U.S. and its trading partners, said USTR Susan Schwab in a Sept. 17 speech to the Association of American Chambers of Commerce in South America.

"Make no mistake: it is in the economic and geopolitical interests of the United States to have stable, prosperous trading partners in our own neighborhood," said Schwab in the speech.

Farmers in the U.S. would especially stand to gain from these three FTAs, as agricultural exports to these countries would rise by nearly \$1.7 billion annually if the deals were enacted, she said.

Right now, U.S. farm products are hampered by duties in these markets, while agricultural goods from the three countries are largely imported duty-free, according to the USTR.

"The benefits of providing U.S. exporters reciprocal access to these countries would seem obvious," said deputy USTR John Veroneau at a Sept. 11 speech to the National Association of Business Economists.

As for the Korean FTA, most of the tariffs and barriers would be lifted from the \$3 billion in U.S. farm products exported to that country yearly, according to the U.S. Department of Commerce.

Despite these opportunities, the agreements are bound to be met with some resistance from contingents that "view globalization as a destructive force and believe they were better off before it," said Veroneau.

If critics of free trade go unanswered, public and political support for these agreements would deteriorate, so proponents have an obligation to voice their position, he explained.

To counter-anti-FTA rhetoric, the USTR, USDA, U.S. Department of Commerce, U.S. Treasury Department and U.S. State Department have joined together to start a new web site that offers facts about the advantages of trade.

The web site, www.tradeagreements.gov, summarizes pending and existing FTAs and the impacts these deals have on each of the 50 states, as well as news updates and other information. The site is part of a larger effort by the Bush Administration to promote the deals this autumn, according to a USTR press release.

Currently, the Senate Finance Committee is reviewing the Peruvian agreement, and Schwab hopes the Colombian, Panamanian and Korean FTAs will soon follow.

"Congress has a chance to bolster the forces for democracy, economic cooperation and growth," she said.

Where Schwab sees opportunities, anti-FTA groups see further groundwork for environmental destruction in South America, job loss in the U.S., and corporations trouncing over small farmers on both continents.

"Agribusiness groups have flourished under the free trade system while farmers in both the U.S. and developing countries have been losing out," wrote R. Dennis Olson, senior policy analyst, and Alexandra Spielfoch, director of the trade and global governance program, in a statement from the Institute for Agriculture and Trade Policy.

The free trade system favors multinational corporations who are able to sell farm products on the world market below the cost of production, putting smaller outfits at a disadvantage - or out of business, Olson and Spielfoch said in the statement.

Such deals harm the rest of society as well, since they "have allowed corporations to lead countries in a race to the bottom to find the weakest environmental, labor and consumer safety regulations," according to the statement.

Apart from damaging communities and ecosystems abroad, this dynamic endangers U.S. residents, according to a report from the Public Citizen consumer group released earlier this year.

Not only do FTAs increase the amount of imported food from under-regulated countries, but the agreements also prevent U.S. regulators from holding these products to closer scrutiny than domestically produced goods, since this could be construed as a trade barrier, according to Public Citizen.

"These agreements will escalate the threats on our food supply by increasing food imports - placing further stress on already overworked border inspectors - and by increasing the pressure on U.S. food safety agencies to weaken our food safety regulations to comply with 'trade' rules," according to the report.