Bush plans relentless push for trade deals - aide

By Doug Palmer Reuters January 9, 2008

WASHINGTON - The White House is planning a major campaign to persuade a reluctant Congress to approve free trade deals with Colombia, South Korea and Panama this year, a senior Commerce Department official said on Wednesday.

But the Bush administration is unlikely to accept legislation hiking duties on Chinese imports as a tradeoff for those pacts, Under Secretary of Commerce for International Trade Chris Padilla said in an interview.

"The administration is going to be relentless in pushing its free and fair trade agenda," beginning with the Colombia agreement, Padilla said.

Commerce Secretary Carlos Gutierrez and five other cabinet officials will lead a series of congressional delegations to Colombia between now and early March to build support for the agreement, Padilla said.

Democrats want Colombia to make more progress in reducing violence against trade unionists and on other concerns before Congress votes on the pact. Many also believe the Korea agreement will cost jobs in the U.S. auto sector.

The White House is holding twice-weekly meetings to discuss how to overcome opposition from senior Democrats, including House of Representatives Speaker Nancy Pelosi, Senate Majority Leader Harry Reid and the party's front-running presidential candidates -- Illinois Sen. Barack Obama and New York Sen. Hillary Clinton.

The Bush administration argues Colombia has already made major strides in reducing violence and restoring prosperity to a country wracked by decades of civil war.

To persuade lawmakers who still have concerns, "we're going to show them a very impressive report card of what Colombia has done since last June" when senior Democrats first said more progress was needed, Padilla said.

The White House also will press Pelosi and other Democrats to tell Colombian President Alvaro Uribe exactly what else Colombia needs to do to win their approval, he said.

AID FOR DISPLACED WORKERS

One step the Bush administration could take to build support for the Colombia agreement is agree to a major expansion of a federal assistance program for workers who have lost their job because of imports or their factory has moved overseas. Padilla said President George W. Bush wants to work with Congress to update and expand that program -- even though the White House has threatened to veto a reform bill passed by the House.

The Bush administration will fight any attempt to tie legislation aimed at addressing concerns about trade with China to approval of the pending trade pacts, Padilla said.

He urged Congress not to approve bills that would slap duties on Chinese goods to offset alleged currency manipulation because that could backfire on the United States.

"European exporters are busy screaming about the value of the dollar against the euro. Obviously there would be concern among our business community" if European governments hit U.S. goods with duties in response, Padilla said.

Although the Bush administration plans a big push for the South Korean agreement, U.S. officials have repeatedly said they will not even submit that deal to Congress until Seoul fully reopens its market to U.S. beef.

Assuming that's done, Padilla said he believed there was enough support for the South Korean pact from other sectors to overcome auto industry opposition that primarily comes from Ford Motor Co (F.N: Quote, Profile, Research). and the United Autoworkers union.

"Are we going to hold back billions and billions of dollars of new opportunity for the American economy because one company and one union are concerned that they're not getting a guaranteed market share? It's a debate we think we can win," he said.

Turning to the 6-year-old Doha round of world trade talks, Padilla said a deal was possible this year if the United States and other countries are willing to compromise.

"There's no question that the president would like to see an ambitious result to Doha and I think gradually the picture is beginning to come into focus of what the outline of a deal might look like," Padilla said.

If the pieces can come together quickly, the White House will press Congress to approve the agreement before Bush leaves office in January 2009, he said.

(Editing by Cynthia Osterman)