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New trade deals have much to offer Ohio business

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There is plenty of unfinished business on the docket as Congress conducts its fall session. With the testimony of Gen. David Petraeus and a major speech by President Bush this past week, Iraq certainly is dominating the agenda - as will all of the annual spending bills as we approach the end of the government's fiscal year.

However, Congress will also have on its plate four market-opening, job-creating trade agreements with Peru, Colombia, Panama and South Korea. These agreements are good for the United States and for Ohio.

Ninety-six percent of the world's consumers are outside the U.S. In order to continue creating job opportunities for Ohio workers, we must increase our exports to overseas markets by knocking down barriers that keep our products out and free trade agreements are the best way to do this. These agreements have already worked wonders for Ohio. While the 14 countries with which the U.S. already has trade agreements represent just 7 percent of the world economy, they buy a remarkable 60 percent of Ohio exports.

Unfortunately for Ohio businesses and workers, our market has been largely open to foreign products while other countries have either erected protectionist barriers to entry or have implemented trade agreements with European, Latin, or Asian countries that guarantee preferential access for our competitors. This fall, we have an opportunity to change this.

The U.S. signed new trade agreements with the governments of Peru, Colombia, Panama, and South Korea and all four are awaiting approval by Congress. These four agreements represent an opportunity to return to our nation's historic bipartisan leadership on trade policy, which is best exemplified by former President Bill Clinton's support for trade with Canada and Mexico and normalized trade relations with China. In fact, President Clinton's support for our trade agreement with Canada and Mexico resulted in a 121 percent increase in Ohio exports to those two countries since 1994.

With 45 million people, Colombia is the second-largest market in South America, and the second-largest Spanish-speaking country in the world. Colombia is also our closest ally in South America and trade has already proven to be the best "alternative development" program ever used in the war on drugs.

The trade agreement with South Korea represents the largest market opportunity for the U.S. since the enactment of the Canada/Mexico agreement. South Korea is the world's 10th-largest economy with a per capita income of over \$20,000 per year. Thus, it is a country that has significant potential for Ohio manufacturers and farmers. Unfortunately, the average tariff an Ohio company pays upon entry into the South Korean market under current law is more than 11 percent while South Korean products pay an average of 3.7 percent to enter our market. Passage

of the South Korea trade agreement will eliminate their tariffs and ensure that trade is a two-way street.

The state of Ohio depends on international trade to keep its economy growing. If Ohio companies are going to continue their export growth, Congress must approve the four pending trade agreements with Peru, Colombia, Panama and South Korea. Ultimately, their decision will reveal whether the U.S. maintains its economic leadership in the world or slides into protectionism.

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