

Pandering on trade policy bad for business, workers

By The Denver Post Editorial Board

One of the more harmful results of this early presidential contest has been the introduction of election-year political pandering to the trade debate in Congress. The result may be a return to protectionist policies that will force American consumers to pay higher prices while costing U.S. workers thousands of export-related jobs.

Every U.S. president since World War II, Republican or Democrat, has fought to reduce the kind of trade barriers that triggered the Great Depression of the 1930s. For its part, the Bush administration has followed the fine example set by its Democratic predecessor, Bill Clinton, by seeking approval of free trade agreements with South Korea, Panama, Peru and Colombia.

But the Democrat-controlled Congress has so far balked - in part because of the desire of presidential hopefuls to curry favor with small but noisy special interests opposed to expanding trade. Even Sen. Hillary Clinton banged the protectionist drum in a recent appearance before the AFL-CIO by assailing the landmark North American Free Trade Agreement.

"NAFTA and the way it's been implemented has hurt a lot of American workers," Sen. Clinton said, adding she has been a critic of NAFTA "for many years."

That's a curious thing for the wife of Bill Clinton to say, since NAFTA was approved by Congress on Clinton's presidential watch and with his strong support.

U.S. exports to Mexico tripled after the landmark trade agreement went into effect.

Colorado businesses and workers have thrived in the climate of liberalized trade fostered by NAFTA and other trade agreements. In 2006, businesses in Colorado exported \$8 billion worth of manufactured goods to foreign customers, according to the U.S. Chamber of Commerce.

Colorado also has benefited from foreign investment that has followed in the wake of freer international trade. Some 71,400 workers in Colorado are employed by foreign companies that have invested in the U.S. And foreign customers bought \$675 million worth of Colorado agricultural products in 2005.

Protectionists seem to believe that foreign customers will go on buying U.S. products even if we erect barriers against the goods they try to sell to us. The truth is exactly the opposite: The trade pacts now pending before Congress are designed to knock down existing barriers to U.S. exports.

As The Detroit News noted on Aug. 12, "The U.S.-South Korea Free Trade Agreement, along with agreements proposed for Colombia, Peru and Panama, would give American companies access to markets that were previously mostly off-limits. The Korean pact eliminates the 8 percent tariff on passenger cars that South Korea imposed (compared with 2.5 percent in the United States) and removes 95 percent of tariffs on consumer and industrial products. Nearly all other tariffs will be wiped

out within 10 years. Despite the rhetoric against such opportunities, those are good things for Michigan."

In this case, what's good for Michigan is also good for Colorado - and for America. Congress should approve these job-creating trade pacts when it returns from its August vacation.