

# The Detroit News

## Politicians play loose with free trade facts

August 12, 2007

Editorial

Democrats in Congress, along with some Republicans, are promoting protectionism again, ramping up efforts to kill four proposed free trade agreements because they say open markets abroad hurt workers here.

But that doesn't play out in logic or in practice when you look at the facts.

The U.S.-South Korea Free Trade Agreement is a good example. The deal, which 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.

For Michigan, and particularly the Big Three automakers, that means an opportunity to enter a \$1.2 trillion -- and growing -- market.

Though South Korea imported far fewer U.S. vehicles (about 4,000 versus about 700,000 Korean vehicles into the U.S.) that number will never be equal given the disparity in the size of the markets and income levels. But domestic automakers will sell more of their vehicles abroad without the protectionist barriers they face now.

Additionally, more than half of all farm exports will become duty-free immediately, including corn and soybeans. And pharmaceuticals and medical devices will get fairer treatment under the agreement. Despite the rhetoric against such opportunities, those are good things for Michigan.

Politics, however, stands in the way. It appears congressional Democrats carrying the water of the AFL-CIO labor group are fighting these expanded opportunities.

They balked at the lack of labor and environmental provisions in the original South Korea free trade agreement and said they wouldn't budge until those issues were addressed. South Korea complied, but that didn't soften the opposition.

Other trade pacts also are in danger. Few countries in the Western Hemisphere have shown as much improvement on human rights and international crime issues as Colombia, but Democrats threaten they'll kill that deal, too. That would have the odious

effect of keeping some Colombian farmers in the illegal drug business. Reducing barriers to trade would give Colombian farmers a better incentive to sell legal agricultural products.

By contrast, some Democrats want to lift the trade embargo with Cuba and gladly buy discounted oil from Hugo Chávez, the Venezuelan president who is working furiously to eliminate democracy in the South American nation.

And don't forget about communist China, which despite the movement to a market-based economy, still imprisons people for speaking out against the government among other human rights violations. Yet there's little talk in Congress of limiting expansion opportunities there.

The opposition to free trade agreements is a misguided strategy of labor unions to padlock jobs to this country. It won't work. Consumers will seek the best goods at the best price, regardless of where they are made.

To compete, American companies must match price and quality, and not throw up protectionist barriers.

Open trade will benefit America as much or more as its trading partners as long as the country takes advantage of its technological and intellectual advantages. The world wants what we have to offer, and free trade should be seen as an opportunity, not a threat.

In the end, protectionism will lead to fewer jobs for American workers and higher prices for American consumers.

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