

The Paducah Sun
Kentucky

Saturday, August 9, 2008

OPINION: Duty Free: Congress should pass Colombia trade pact

BY: David Cox, The Paducah Sun, Ky.

Aug. 9--The flowers in the bouquet you bought Mom for Mother's Day were probably grown in Colombia. They were imported into the United States duty free.

But when local businessman Richard Grana ships conveyor equipment, manufactured in Paducah by his company, IMPEX, to Colombia, he pays a 12-percent tariff.

It could be worse. Pringles potato chips, manufactured in nearby Jackson, Tenn., pays a 20-percent tariff at Colombian ports. Miracle-Gro, an Ohio product, pays a 100-percent tariff. The tariff on Kentucky tobacco and poultry is as high as 179 percent.

Despite the tariff one-way street, U.S. exports to Colombia are growing as the Latin American country's economy expands -- it grew 7 percent last year. But if the tariffs were permanently removed, more American products would reach Colombian consumers. Colombia bought \$44 million in products from Kentucky last year, but the potential is many times that.

The trade agreement would actually create jobs by making it cheaper for U.S. companies to sell their goods in Colombia. In fact, it would increase U.S. exports to Colombia by \$1.2 billion, according to Ambassador Charles Shapiro, who visited Paducah Wednesday.

Shapiro, whose quick humor and plain-speaking manner are at odds with his lofty title -- Senior Coordinator, Western Hemisphere FTA Task Force, Department of State -- is a walking encyclopedia of numbers and statistics who makes the issue clear: the trade agreement would benefit America's economy and security, and it would benefit Colombia by both creating jobs and increasing imports to consumers whose standard of living is rising rapidly.

The good news is the U.S. and Colombia have negotiated a pact that would eliminate the tariffs on American products. The bad news is Congress has pulled the plug. After changing the rules to eliminate the statutory time limit for approving or rejecting the trade agreement, Congress simply put it on the back burner, refusing to consider it in an election year.

You would think this would be a no-brainer for Congress. But then, this is Congress.

Shapiro explained that the term "free trade" means "lost jobs" to many Americans. That's unfortunate. And inaccurate. But it is a political reality.

The AFL-CIO opposes the agreement, not because it will cost jobs, but because the union wants to show solidarity with Colombia's largest labor confederation, the government workers' union, which opposes the accord. And the Democratic leadership in Congress is not about to alienate labor in a year when the party stands to make great gains, in part due to a resurgent labor movement.

Shapiro acknowledges that there are winners and losers with every change in the status quo. But this trade pact will not cost jobs, he says; the jobs are already gone. California flower growers, North Carolina textile workers and others have already lost their jobs. The agreement would merely level the playing field.

The U.S. now has free trade agreements with Canada and Mexico (NAFTA). Many Americans have the misconception that NAFTA eliminated jobs by reducing manufacturing in the U.S., Shapiro said, but manufacturing output has actually increased 63 percent since it was implemented in 1994. That increase occurred while the manufacturing workforce declined 25 percent. The job loss was due largely to old-fashioned American ingenuity that created technical innovations for manufacturing more goods with fewer workers.

The U.S. also has free trade accords with most of Central America through CAFTA (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua), and separately with Peru. Because Panama was not included in CAFTA, the State Department is working on that next.

But Colombia is on the table now. Congress should set politics aside, do its duty and approve the agreement.

To see more of The Paducah Sun, or to subscribe to the newspaper, go to <http://www.paducahsun.com>. Copyright (c) 2008, The Paducah Sun, Ky. Distributed by McClatchy-Tribune Information Services. For reprints, email tmsreprints@permissionsgroup.com, call 800-374-7985 or 847-635-6550, send a fax to 847-635-6968, or write to The Permissions Group Inc., 1247 Milwaukee Ave., Suite 303, Glenview, IL 60025, USA.