

Free Trade Agreements 'Held Hostage' Over Aid For Displaced Workers, Firms



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With the U.S. unemployment rate still hovering near nine percent and a president committed to doubling exports by 2015, you might think that lawmakers could drop their partisan swords long enough to cooperate on job creation. Not so

when it comes to a trio of pending free trade agreements, which economists have pointed out would add \$13 billion in new U.S. exports and thousands of new jobs.

President Obama recently made it clear that Trade Adjustment Assistance (TAA), which in the past has provided benefits to American workers, farmers and communities displaced by overseas competitors, must be renewed before he will send pending free-trade pacts with South Korea, Colombia and Panama to Capitol Hill for a vote.

In a show of support, 41 Senate Democrats, including Senate Agriculture Committee Chairwoman Debbie Stabenow, D-Mich., wrote a letter to the President, agreeing with his decision to withhold sending the pending free trade agreements (FTAs) to Congress until they gain approval of a new program to provide unemployment benefits and retrain workers displaced by trade deals.

But during a Senate Finance Committee meeting last week, some GOP senators fought back against the notion that American taxpayers still need to fund TAA. Some Republicans who voted for TAA in the past, now say the program, which has been steadily expanded in recent years, should be scaled back to narrow the federal deficit. The TAA program provides training, extended unemployment benefits and health-care subsidies for workers idled when trade pacts shift jobs overseas.

Why should we put up \$7.2 B (to fund TAA) in a country that's currently broke?" asked Utah Sen. Orrin Hatch, R-Utah, the ranking Republican on the Finance Committee "It's just another free gift to the unions, it looks like to me."

Most of the major labor unions have historically opposed free trade agreements, as has the National Farmers Union.

Trade hostages

Kansas Senator Pat Roberts told Agri-Pulse that free trade agreements are being "held hostage" by Democrats who insist on approving TAA at the same time trade agreements move forward.

"The whole TAA program needs housecleaning to make sure we are really relocating people who are displaced and the effort to help them is adequate. I'm not sure that's the case.

However, Senate Finance Committee Chairman Max Baucus, D-Mont., emphasizes that the free trade agreements and TAA must move forward in tandem. The TAA, which he says has

always been bipartisan, is needed to help workers displaced by any type of trade deal.

Originally written to address trade-related job losses in 1962, Congress has now created four trade adjustment assistance (TAA) programs for workers, firms, farmers, and communities. The Trade Adjustment Assistance for Farmers (TAAF) program, created in 2002, provides technical assistance and cash benefits to producers of agricultural commodities and fishermen who experience adverse economic impacts caused by increased imports.

Delay hurts farm exports

The partisan squabbling comes as other countries near completion of trade agreements that could take away market share from U.S. farmers and ranchers. For example, a trade pact between Korea and the European Union takes effect July 1. Canada is likely to close a deal with Colombia this summer, potentially hurting U.S. wheat exports.

"Colombia had 44 percent of their wheat coming from the U.S., with a lot of that from Kansas," explained Sen. Roberts. "Now we are down to 17 percent and they are going to sign a trade agreement with Canada. We are losing opportunities for trade to our competitors as we dither.

"I'm very much afraid that, if we don't reach some agreement (on FTAs and TAA) within the next several weeks, it may not happen. If that's the case, the president's agenda for more exports is just a hollow gesture," Roberts added.

Major farm and commodity groups held a Capitol Hill press conference last week to rally support for the free trade agreements, while acknowledging that TAA may be part of the final compromise.

"While we wait and wait to pass agreements that will make us competitive and lower our tariffs, we have competitors already walking and taking over those markets," said American Farm Bureau Federation President Bob Stallman. "The longer we wait the more market we lose."

Bill Donald, president of the National Cattlemen's Beef Association, reminded the White House of the job-creation benefits of the FTA's.

"This is a powerful stimulus package for the American people, a stimulus package that will not cost the American taxpayer one damn dime," he said.

Leaders of both political parties say they're confident they'll reach a compromise, but a deal has yet to take shape and seems unlikely to happen before July 1.

Rep. Dave Camp, R-Mich., chairman of the Ways and Means Committee, has been pushing for all three trade agreements to be readied for congressional consideration by July 1. A Ways and Means spokesman says that Camp supports TAA and is working to "find a bipartisan path forward in the House and Senate." Δ

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