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Congress Ends 5-Year Standoff on Trade Deals in Rare Accord

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WASHINGTON — Congress passed three long-awaited free trade agreements on Wednesday, ending a political standoff that has stretched across two presidencies. The move offered a rare moment of bipartisan accord at a time when Republicans and Democrats are bitterly divided over the role that government ought to play in reviving the sputtering economy.

The approval of the deals with South Korea, Colombia and Panama is a victory for [President Obama](#) and proponents of the view that foreign trade can drive America's economic growth in the face of rising [protectionist](#) sentiment in both political parties. They are the first trade agreements to pass Congress since Democrats broke a decade of Republican control in 2007.

All three agreements cleared both chambers with overwhelming Republican support just one day after Senate Republicans prevented action on Mr. Obama's jobs bill.

The passage of the trade deals is important primarily as a political achievement, and for its foreign policy value in solidifying relationships with strategic allies. The economic benefits are projected to be small. A federal agency estimated in 2007 that the impact on employment would be "negligible" and that the deals would increase gross domestic product by about \$14.4 billion, or roughly 0.1 percent.

The House voted to pass the Colombia measure, the most controversial of the three deals because of concerns about the treatment of unions in that country, 262 to 167; the Panama measure passed 300 to 129, and the agreement concerning South Korea passed 278 to 151. The votes reflected a clear partisan divide, with many Democrats voting against the president. In the Senate, the Colombia measure passed 66 to 33, the Panama bill succeeded 77 to 22 and the South Korea measure passed 83 to 15. Senator Harry Reid of Nevada, the majority leader, voted against all three measures.

The House also passed a measure to expand a benefits program for workers who lose jobs to foreign competition by a vote of 307 to 122. The benefits program, a must-have for labor unions, passed with strong Democratic support. The Senate previously approved the measure.

Proponents of the trade deals, including Mr. Obama, Republican leaders and centrist Democrats, predict that they will reduce prices for American consumers and increase foreign sales of American goods and services, providing a much-needed jolt to the sluggish economy.

“At long last, we are going to do something important for the country on a bipartisan basis,” said Senator Mitch McConnell of Kentucky, the minority leader.

However, Mr. Obama’s support for the measures has angered important parts of his political base, including trade unions, which fear job losses to foreign competition. Many Democrats took to the House floor Wednesday to speak in opposition to the deals.

“What I am seeing firsthand is devastation that these free trade agreements can do to our communities,” said Representative Mike Michaud, a Maine Democrat who once worked in a paper mill.

Both chambers raced to approve the deals before a joint Congressional session Thursday with the South Korean president, Lee Myung-bak.

The revival of support for the deals, originally negotiated by the Bush administration five years ago, comes at a paradoxical political moment, when both conservative Republicans and the Occupy Wall

Street protesters have taken antitrade positions, albeit for different reasons. In a debate among Republican presidential candidates Tuesday night, Mitt Romney, the former governor of Massachusetts, accused China of manipulating the value of its currency to flood the United States with cheap goods, while populist sentiment on the left opposes the trade agreements because of the potential for American job losses.

Mr. Obama cited similar concerns in criticizing the agreements during the 2008 presidential campaign, but he later embraced the deals as a key part of his agenda to revive the economy. To win Democratic support, the White House reopened negotiations with the three countries to make changes demanded by industry groups and unions, and insisted that the expansion of benefits for displaced workers be tied to passage of the trade agreements.

The benefits program was expanded in 2009 to include workers in service industries as well as manufacturing. The compromise negotiated this summer between the White House, House Republicans and Senate Democrats preserves most of the funding for the program.

Increased protections for American automakers in the South Korea deal won the support of traditional opponents of trade deals, including some Midwestern Democrats and the United Automobile Workers union. But scores of Democrats opposed the deal with Colombia, because they said it did not do enough to address the murders of dozens of union organizers in that country.

“Trade agreements should not be measured solely on how many tons of goods move across the border,” said Representative Lloyd Doggett, a Texas Democrat.

Economists generally predict that free trade agreements, which eliminate tariffs and other policies aimed at protecting domestic manufacturers, benefit all participating nations by creating a larger common market, increasing sales and reducing prices. But such deals also create clear losers, as workers lose well-paid jobs to foreign competition.

The White House and Republican leaders said that the three agreements would provide a big boost to

the lagging American economy and put people back to work.

Secretary of State Hillary Rodham Clinton hailed the deals Wednesday as an important victory for American foreign policy. And she said she expected that the South Korea pact alone would create 70,000 American jobs. “By opening new markets to American exports and attracting new investments to American communities, our economic statecraft is creating jobs and spurring growth here at home,” Ms. Clinton said at a Washington event.

But the United States International Trade Commission, a federal agency that analyzed the deals in 2007, reported that that economic impact would be minimal because the three countries combined represent a relatively small market for American goods and services.

The modest projected increase in demand will come mostly from South Korea, the world’s 14th-largest economy, which will join a short list of developed nations that have free trade pacts with the United States, alongside Australia, Canada, Israel and Singapore.

The commission predicted that American farmers would benefit most, because of increased demand for dairy products and beef, pork and poultry. Conversely, it predicted that the pacts would eliminate some manufacturing jobs, particularly in the textile industry.

Opponents, including textile companies, said that the deals would harm the economy by undermining the nation’s industrial base. They argued that South Korean companies would benefit much more than American companies because they were gaining access to a much larger market.

These are the first deals to pass Congress since the approval of an agreement with Peru in 2007. The Bush administration had won approval for trade agreements with 14 countries before the Democrats regained Congress in 2008, but it was then unable to gain traction.

“It’s been five years in the making, but we are finally here,” said Representative Lynn Jenkins, a Kansas Republican, in a speech urging passage of the agreements.



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