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October 3, 2011

# Free Trade Standoff Is Resolved

By BINYAMIN APPELBAUM

WASHINGTON — The Obama administration moved Monday to complete free trade agreements with South Korea, Colombia and Panama, submitting the deals for Congressional approval after resolving a standoff of months with Republicans over the details of a package both sides said they favored.

The White House is depending on Republican support for the trade agreements to overcome the passionate opposition of Democrats concerned about the loss of American jobs to foreign competition. But it agreed to submit the deals to Congress only after receiving what administration officials described as sufficient assurances that House Republicans would also approve an expansion of benefits for displaced workers. The Senate approved an expansion of the benefits program last month.

President Obama and Republican leaders have spotlighted the trade agreements repeatedly as a powerful opportunity for Washington to help the economy, but the projected benefits are modest. The government estimates that the deals would increase annual exports of American goods by about \$12 billion, or roughly 1 percent. Service providers like banks and law firms are also expected to benefit.

“These agreements will support tens of thousands of jobs across the country for workers making products stamped with three proud words: Made in America,” Mr. Obama said in a statement. “We’ve worked hard to strengthen these agreements to get the best possible deal for American workers and

businesses, and I call on Congress to pass them without delay.”

Under special rules that govern the consideration of trade deals, Congress has 90 days to approve or reject the agreements, but it cannot amend the terms. The House speaker, John A. Boehner, said Monday that the deals were a “top priority” and promised to move quickly.

“Today we have overcome a crucial hurdle to helping put Americans back to work,” Mr. Boehner said. Then he took a swipe at the White House. “While the delay was unacceptably long and likely cost jobs, I am pleased the Obama administration has finally done its part.”

Trade agreements reduce the price of American goods and services in foreign markets — and foreign goods and services here — by eliminating tariffs, or taxes, on those products. Most economists say the overall benefits are substantial, increasing demand and reducing prices. But the outcomes for individuals are much more varied. Consumers may benefit from the availability of cheaper foreign goods even as more expensive American workers are losing their jobs.

The United States has comprehensive free trade agreements with 17 countries, including Mexico and Canada. The proposed agreement with South Korea could increase annual sales of American goods — including dairy products, pork, poultry, chemicals and plastics — by up to \$10.9 billion, according to a 2007 estimate by a federal agency, the United States International Trade Commission. That estimate did not include sales services like banking and legal work, which are also likely to be considerable.

The agreement with Colombia, a much smaller trading partner, would increase annual demand for American goods by about \$1.1 billion, the commission estimated. It said the impact of the Panama agreement would be smaller; it did not provide an estimate.

The White House said the deals would “provide a major boost to our exports.”

Representative Eric Cantor, the House majority leader, described the deals as “a key component of the House Republicans’ job plan.”

Both sides said passing the agreements would create thousands of jobs.

The Bush administration completed negotiation of the three agreements in 2006, but approval was blocked by Congressional Democrats. Mr. Obama lifted the agreements from the dustbin in 2009 as part of a broader effort to revive the economy. To address the concerns of labor unions and other opponents, the administration renegotiated provisions in each of the deals.

But progress bogged down again over the fate of a modest and obscure benefits program called Trade Adjustment Assistance. The government has long provided benefits to workers who lose jobs to foreign competition, including training programs, money to cover the cost of searching for a job or moving to a new city and tax credits to reduce the cost of health insurance.

Congress, under Democratic control, temporarily expanded eligibility for this program in 2009, but Republicans ended the expanded program after taking control of the House.

The White House, bowing to the demands of Congressional Democrats, said it would not submit the trade agreements until Republicans restored financing. Republicans, some of whom supported the program in the past, said they would not agree to increase federal spending.

In June, the White House announced that it had negotiated a compromise with the Montana Democrat Max Baucus, chairman of the Senate Finance Committee, and the Michigan Republican Dave Camp, chairman of the House Ways and Means Committee. Their two committees had jurisdiction over the legislation. But the critical breakthrough came only last month when Mr. Baucus orchestrated Senate passage of the deal, which partially restores the expanded benefits.

House leaders agreed Monday to consider that deal “in tandem” with the trade deals.

The United States Chamber of Commerce, a leading proponent of the agreements, cheered the news.

“America is finally getting back in the game,” Thomas J. Donohue, the group’s president, said in a statement. “The chamber will pull out all of the stops to get the votes in Congress.”

The administration's efforts have persuaded some traditional opponents of trade deals to stand down. The United Automobile Workers, for example, agreed to support the South Korea deal after the administration persuaded South Korea to accept a more gradual elimination of tariffs on auto imports.

Other unions, however, remain vocal in their opposition, putting pressure on Congressional Democrats.

“The last thing America needs is one more job-killing trade deal, let alone three,” Jimmy Hoffa, the president of the Teamsters, said in a statement on Monday. “These proposed agreements will damage our economy, raise unemployment and further lower workers' wages.”



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