

International trade benefiting some in job security, harming others

Economic conservatives oppose linking job aid to expansion of free trade.

By Jessica Wehrman and Jack Torry
Washington Bureau

Updated 3:03 AM Sunday, July 10, 2011

WASHINGTON — Tom Payton and Sharon Doherty represent two sides of the same coin. He lost his job because of international trade; her career thrives because of it.

As Congress takes up free-trade agreements with South Korea, Colombia, and Panama, people such as Payton and Doherty are at the heart of the debate: Should an expansion of trade include assistance for those hurt by it?

When his plant in Washington Court House laid off some 300 workers in 2009, Payton could've been sunk. The jobs had gone to Mexico.

But Payton relied on two federal programs to offset his lost wages and train for a new career. Now, he's a mental health and career counselor at Southern State Community College in Fayette County.

"I never want to go through this again," Payton said. "But this is the best bad experience I've ever gone through."

Fifty miles to the north in Dublin, a Columbus suburb, Doherty relies on exports for nearly 50 percent of her sales of shampoo for show dogs, selling to Russia, Israel, Poland, Taiwan and 30 other countries.

"If we didn't export, we wouldn't have the revenue that we have," said Doherty, president of Vellus Products. "We're in places that I never thought or dreamed we would be in."

President Barack Obama wants Congress to approve all three trade pacts and congressional Republicans are eager to do so. But Obama has insisted that approval of the trade deals be attached to extension of one of the very programs that helped Payton recover and get back on his feet.

When originally passed in 1962, Trade Adjustment Assistance primarily provided help to those who lost jobs because of a shift in production of their firm to any country with a free trade agreement with the United States.

But in 2009, the program was expanded, covering a whole new swath of workers, including service industry employees who'd lost their jobs to outsourced call centers and workers who lost their jobs to China and other countries that did not have a free trade agreement with the United States. In February, that expansion expired. Now, passage of those trade bills has been linked to the debate over how best to extend Trade Adjustment Assistance.

On Thursday, the House Ways and Means Committee and the Senate Finance Committee both did "mock markups" of the bills – a move that will precede actual up-or-down votes on what Obama

sends them.

The House committee did not attach the worker financial help to the trade agreements while the Senate panel attached financial assistance to laid-off workers to the South Korea pact.

The 2009 expansion's impact on Ohio workers was dramatic: According to Policy Matters Ohio, a nonpartisan research center in Ohio, in 2009, the U.S. Department of Labor issued 145 certifications to Ohio companies, covering 20,677 workers in 58 of Ohio's 88 counties. Payton was one of them. In the three years prior to that, an average of 10,705 Ohio workers had received the aid annually.

Now, with its expiration, Sen. Sherrod Brown, D-Ohio, said the impact is measurable. "People are already losing benefits."

He said those most impacted include people who lost jobs to countries that the United States does not have a trade agreement with and those who worked in service jobs that were sent overseas. He has introduced a bill with Sen. Bob Casey, D-Pa., that would renew the program at expanded levels for five years.

Zach Schiller of Policy Matters Ohio said traditionally, Trade Adjustment Assistance hasn't been controversial: Republicans and Democrats alike agreed that trade agreements would invariably cause job losses in some sectors, despite producing economic growth.

That philosophy has changed. Now, he said, it's more contentious. "And we've got all these people left out in the cold," he said.

Economic conservatives have assailed the idea of linking financial help for workers with trade agreements they argue will boost employment. They contend that federal financial help often flows to people whose job loss has very little to do with international trade.

"Typically it has been the case that they have attached Trade Adjustment Assistance to buy votes from people who would otherwise not vote for a trade agreement," said Sallie James, a trade analyst at the Cato Institute, a conservative nonprofit organization in Washington. "What we have here is a reversal of that bargain."

"They are using votes for trade liberalization to expand a welfare program," she said.

Trade remains one of the most controversial issues in Ohio politics. Brown based much of his successful 2006 campaign for the Senate on his opposition to what he called "job-killing trade agreements." He and other critics have argued that hundreds of thousands of manufacturing jobs were lost in Ohio because of competition from China, South America and Mexico.

Yet Obama's own U.S. Department of Commerce paints a far more complex picture. Last year, Ohio firms exported \$41.4 billion worth of goods and this year, state companies are performing even better. The Commerce Department reports that Ohio companies exported \$10.9 billion worth of goods in the first quarter of this year compared to \$9.7 billion in the first quarter of 2010.

According to the state of Ohio, 26.8 percent of all manufacturing jobs in 2009 were dependent on exports, while 13,092 companies in the state in 2008 exported goods. Foreign-controlled companies employed 231,600 Ohio workers in 2008.

Sen. Rob Portman, R-Ohio, said both extension of Trade Adjustment Assistance and passage of the three pending trade agreements are necessary. But he said it would be a mistake to attach Trade Adjustment Assistance to one of the trade bills. They all have a better chance of passing, he said, if

they're voted on independently.

“We've got to be sure what we're not doing is eliminating the possibility of creating more jobs through trade by putting Trade Adjustment Assistance on one of the trade bills,” he said.

Find this article at:

<http://www.daytondailynews.com/news/politics/international-trade-benefiting-some-in-job-security-harming-others-1203862.html>

 [Print this page](#)  [Close](#)