

PBS Nightly Business Report

Congress Gears up To Pass Trade Deals

Wednesday, October 12, 2011

TOM HUDSON, NIGHTLY BUSINESS REPORT ANCHOR: One bright spot in the struggling U.S. economy lately has been found overseas. American exports have been growing to record levels in recent months. U.S. lawmakers in the House and Senate are on track tonight to approve new trade deals with Panama, Colombia and South Korea. The deals have dominated debate today in both houses. The U.S. House passed all three bills just minutes ago, the U.S. Senate expected to vote later tonight. Washington bureau chief Darren Gersh reports.

DARREN GERSH, NIGHTLY BUSINESS REPORT CORRESPONDENT: From cars to coffee to high-end electronics, you may have bought their products in the United States. Now Congress hopes more American products will be available duty-free in Panama, Colombia and South Korea.

SEN. KAY BAILEY HUTCHISON, (R) TEXAS: With a 9.1 percent unemployment, this is a no-brainer. Export more, make our products more competitive by lowering the tariffs and create jobs in America. What could be more clear?

GERSH: But critics say government experts have a long history of overestimating job gains from trade and underestimating the impact of cheaper imports on the U.S. trade deficit.

REP. DENNIS KUCINICH, (D) OHIO: This trade agreement, which was negotiated by the previous administration, contains too many flawed trade policies of the past, rather than laying out a new and progressive vision for the future.

GERSH: The trade deals were signed four years ago under the Bush administration. They were delayed over concerns about human rights in Colombia and market access in Korea. To overcome those hurdles, the Obama administration insisted on tougher protections for the environment and for U.S. auto makers. Supporters say the end result is a small win for the economy.

DANIEL GRISWOLD, TRADE EXPERT, CATO INSTITUTE: I don't think it's going to make a noticeable dent in the unemployment rate, but it will create a better class of jobs, higher income for Americans, without increasing Federal spending by a dime. I think that's pretty good for the U.S. economy in the current climate.

GERSH: While Congress has taken one step forward on free trade agreements, it is ramping up pressure on another trade front as pressure builds to label China a currency manipulator.

REP. NANCY PELOSI, MINORITY LEADER: An eight-ton gorilla that is lying on the floor of this House that we want to ignore so we can talk about 6,000 jobs.

GERSH: To reassure Democrats worried about job loss, the Obama administration tied the vote on the free trade deals to extension of the trade adjustment assistance program. TAA provides re-training to workers who lose their jobs to foreign competition. A vote to extend the TAA program is expected late tonight. Darren Gersh, NIGHTLY BUSINESS REPORT, Washington.