



Business urges Obama trade push to boost jobs

11:15am EST

By Doug Palmer

WASHINGTON (Reuters) - President Barack Obama should move quickly in 2010 to win approval of long-delayed free trade agreements that would help create new U.S. jobs without adding to the budget deficit, business officials said.

A Labor Department report on Friday showed that U.S. employers unexpectedly cut 85,000 jobs in December, cooling optimism on the labor market's recovery and keeping pressure on Obama to find ways to spur job growth.

Business groups argue approval of free trade deals with South Korea, Colombia and Panama that have been on the shelf for several years now would give U.S. exports a boost and help create jobs without more federal spending.

"The administration has been pretty clear in saying they've been working with the Panamanians, the Colombians and the Koreans to resolve the issues" blocking the pacts, said Doug Goudie, international trade policy director at the National Association of Manufacturers.

"I hope they're able to move Panama, at the very least, early this year," Goudie said.

Former President George W. Bush was unable to persuade the Democratic-run Congress to approve the three trade deals before leaving office nearly one year ago.

Many Democrats says the pacts actually cost jobs by encouraging U.S. companies to move overseas.

Obama has said he wants fix the agreements to address the concerns lawmakers have. But that work took a back seat last year to passing comprehensive health care reform.

Many believe the closer it gets to November congressional elections, the less likely the White House will push for trade votes that probably would split the Democratic party.

"The real challenge is timing," said Christopher Wenk, international policy director at the U.S. Chamber of Commerce.

But if Obama puts his weight behind the agreements, "I strongly believe they would all pass," Wenk said.

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Each of the agreement has its own problems.

Lawmakers have demanded changes to tax haven laws and labor rules in Panama. They also want the elimination of certain barriers that have long blocked sales of U.S. autos and other manufactured goods in South Korea.

However, those specific issues are probably easier to fix than concerns that Democrats have raised about anti-labor violence in Colombia, Goudie said.

A leading critic of the free trade pacts agreed, saying there was "no chance" the Colombia trade deal would be approved until that country has shown over several more years that it has reduced murders of trade unionists.

There is at least a possibility the other agreements could be approved if the Obama administration can "fix the worst of the complaints" about them, said Lori Wallach, director of Public Citizen's Global Trade Watch.

That would require changes to investment, government procurement, financial services and food safety provisions of the pacts, as well as addressing Panama's tax haven issues and South Korea's mercantilist practices, she said.

Dan Griswold, director of the Cato Institute's trade policy group, said he remained doubtful Democratic leaders in Congress would allow election year votes on the pact.

"I wish I could be more hopeful about the free trade agreements. But organized labor is just so opposed to the South Korea and Colombia agreements, it's hard to imagine Congress will pass them," Griswold said.

(Reporting by Doug Palmer; Editing by Jackie Frank)



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