



Written by [Joe Wolverton, II, J.D.](#) on September 12, 2011

## Free Trade Agreements: Key to Economic Recovery?

In his speech on the economy on September 8, President Barack Obama tied our nation's fiscal recovery to the passage of three free trade agreements (FTA) currently awaiting approval. Said the president:



Now it's time to clear the way for a series of trade agreements that would make it easier for American companies to sell their products in Panama and Colombia and South Korea — while also helping the workers whose jobs have been affected by global competition. (Applause.) If Americans can buy Kias and Hyundais, I want to see folks in South Korea driving Fords and Chevys and Chryslers. (Applause.) I want to see more products sold around the world stamped with the three proud words: "Made in America." That's what we need to get done.



While the Republicans may disagree with much of what the president proposed, their leadership is adamantly and enthusiastically behind the trade agreements. Evidence of the bipartisan support for the agreements is found everywhere. Last week, Senate Minority Leader Mitch McConnell (R-Kent.) wrote an [op-ed](#) piece in the *Washington Post* lamenting the languishing of the trade agreements on President Obama's desk and imploring him to pass them along to Congress.

For nearly three years, Republicans and a number of Democrats have been calling on the president to approve these deals to create a level playing field with America's competitors overseas, vastly expand the market for U.S. goods, strengthen our ties with three important allies and create jobs for Americans. Yet the deals have been stuck at the White House since Inauguration Day.

Publicly, the White House claims to support all three agreements. It even said in July that Republicans are the ones standing in the way of ratification. But this is absurd because Congress can't ratify trade agreements until the president submits them for congressional approval. He knows as well as I do that once he does, all three would garner wide bipartisan support.

Earlier, Speaker of the House John Boehner (R-Ohio) [mused](#) as to why the President hasn't moved more quickly to fast track these regional trade pacts.

Upon reaching a path forward for the three pending Free Trade Agreements in the Senate, Senate leaders have cleared an important hurdle. Expanding markets for U.S. small businesses is a critical component of the Republican Plan for America's Job Creators, and further delay of these job-creating trade bills is unacceptable. I look forward to the House passing the FTAs, in tandem with separate consideration of TAA legislation, as soon as possible.

Boehner's ardent advocacy of these FTAs was laid out more fully on the Speaker's [blog](#).



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The Obama Administration tried to shift the blame (again) for its failure to submit job-creating trade agreements to Congress for ratification. A White House spokesman told ABC News they “have yet to hear specifics on what the ‘path forward’ consists of...” Well, here’s a “path forward”: send Congress the trade agreements and the Republican-led House will pass them without delay.

In April, Congressman Boehner said “it’s important for the administration to work with Congress to implement all three pending trade agreements — Colombia, Panama, and South Korea — in tandem with one another as soon as possible.” To do that, the White House has to actually submit them to Congress:

“President Obama has touted three pending U.S. trade deals as measures that could immediately spur job growth, if only Congress would approve them to become law. The only problem: the White House has not yet formally sent the deals to Congress for a vote.” (Obama Says Congress Can Approve Trade Deals ‘Right Now,’ But Hasn’t Sent Them to Hill, ABC News, 8/22/11)

“President Obama says he wants to get the U.S. economy growing, so here’s a tip that may help: In order for Congress to ratify free-trade agreements, the White House must first send the signed deals to the other end of Pennsylvania Avenue.” (The Biggest Trade Barrier, Wall Street Journal, 8/20/11)

“Obama leaves the distinct impression that Congress is sitting on the bills, when in fact they have not yet been officially submitted for consideration.” (Obama’s claim that GOP is holding up trade deals, Washington Post, 8/23/11)

Opening new markets for American-made goods is part of the Republican plan for jobs (Jobs.GOP.Gov). Congressman Boehner says doing so will “level the playing field for American workers, farmers, and businesses and pave the way for creating hundreds of thousands of new jobs here at home.”

It’s unacceptable to delay action on job-creating trade agreements (or push for higher taxes and more failed “stimulus” spending, for that matter) when millions of Americans are out of work and the unemployment rate is 9.1 percent. The “path forward” is for the White House to submit all three trade agreements to Congress without delay.

Would passage of these three so-called free trade agreements truly put America on a path forward toward economic recovery? While free trade, in theory, is an ideal arrangement for the promotion of industry, the encouragement of entrepreneurship, and the mutual accumulation of wealth among the trading partners. In practice, however, the trade agreements are rarely free and are typically imbalanced in favor of one industry or another in one or more of the pact participants.

Moreover, they tend to impose regulatory schemes that endow a non-elective body with unconstitutional grants of lawmaking power. Further, the surrender of sovereignty to a bilateral monitoring body, one the members of whom are neither elected by citizens of the United States nor accountable to them. Regardless, the decisions handed down by these committees are binding on every American, every American industry, and carry with them the full force of the law. Currently, there are three such deals pending.

First, there is the [The Panama-United States Trade Promotion Agreement](#), in Panama called Tratado de Libre Comercio (TLC) entre Panamá y Estados Unidos. This is a bilateral free trade agreement ostensibly aimed at removing existing obstacles to trade, consolidating access to goods and services, and promoting private investment in and between Panama and the United States. Apart from



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commercial issues, the provisions of the pact encompass a wide ranging variety of concerns including economic, institutional, intellectual-property, labor, and environmental policies, among others.

The second pact currently residing in the Oval Office outbox is the [United States-Colombia Trade Promotion Agreement](#) (CTPA) (in Spanish: Tratado de Libre Comercio entre Colombia y Estados Unidos). The CTPA is another proposed bilateral free trade agreement between the United States and Colombia. Often referred to as the Colombia Free Trade Agreement, it was signed on November 22, 2006, by Deputy U.S. Trade Representative John Veroneau and Colombian Minister of Trade, Industry, and Tourism Jorge Humberto Botero. As with the Panama Trade Promotion Agreement, the CTPA is a comprehensive agreement aimed at the elimination of all existing barriers (including tariffs) ostensibly obstructing trade in goods and services between the United States and Colombia.

The third of the three agreements so beloved by those on both sides of the aisle is the [Republic of Korea-United States Free Trade Agreement](#) (also known as KORUS FTA). This proposed pact will govern trade between the United States and the Republic of Korea. The treaty was first signed on June 30, 2007, with a renegotiated version signed in early December 2010. However, the agreement is of no legal effect as it has yet to be ratified by the either nation's legislative body.

If the agreement ever comes into force, the treaty is designed to eliminate 95% of each nation's tariffs on goods within five years, and also create new protections for multinational financial services and other firms. The treaty would be the United States' first free trade agreement with a major Asian economic power and it will become the second largest trade deal, smaller only than the infamous North American Free Trade Agreement (NAFTA) ratified in 1993.

Despite congressional leadership of both parties chomping at the bit, in this case our nation and our Constitution are better off without the passage of these three trade agreements.

*Photos: Kia Venga (top) and Hyundai Tiburon (bottom).*



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