

U.S. to Get Tough on Trade, Labor Infractions

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The United States will get tough with governments that don't live up to trade deals, including those with poor labor practices, U.S. Trade Representative Ron Kirk said Thursday.

Enforcing trade pacts will be the "centerpiece" of President Barack Obama's long-awaited trade policy, Kirk said in a speech at a U.S. Steel Corp plant.

"I do believe we have been more eager nationally in selling the benefits of trade than we have been vigilant in enforcing those trade agreements," said Kirk, standing near a sprawling, steam-belching factory on the outskirts of a city where world leaders will soon meet to discuss the sagging global economy.

Obama promised during last year's election campaign to step up enforcement of trade deals and strengthen labor provisions, tapping into cynicism felt by Americans who have seen manufacturing jobs continually migrate overseas.

The USTR will step up diplomatic negotiations to ease trade barriers, and when needed, will use domestic and international trade law to apply pressure, Kirk said.

Technical and standards-based barriers to farm and manufactured goods will be "called out" in new annual reports, and the USTR will work harder to solve those problems, he said.

Government agencies will identify and investigate labor violations in countries with which it has free trade agreements and insist problems are fixed, instead of waiting for complaints to initiate enforcement, Kirk said.

The strategy goes "hand-in-hand" with moving ahead on the Doha round of World Trade Organization talks and concluding three pending bilateral deals with Panama, Colombia and South Korea negotiated by the former Bush administration, Kirk said.

Obama, who has also pledged to avoid trade protectionism, believes more U.S. jobs can be created by boosting trade of U.S. goods and services.

Business groups that want to see trade agreements expanded urged Obama, who Kirk said still plans to "share more" details of his trade policy, to be more aggressive.

"Every day of delay (on the three pending trade deals) costs us more lost job opportunities," said Frank Vargo of the National Association of Manufacturers in a statement.

SKEPTICS BLAME JOB LOSSES ON TRADE DEALS

Many Democrats blame trade deals for job losses, and have said it will be hard for the White House to champion new pacts given the recession, and competing domestic priorities.

Louise Slaughter, Democrat chairwoman of the House Rules Committee, said she remained skeptical after Kirk's address.

"Every time they start one of these (free trade agreements), they try to mollify us, and say 'We're going to do something about the environment, and we're going to do something about labor.' It never happens," she told Reuters.

Sitting in the back row for Kirk's speech, two steelworkers in bright orange safety suits and workboots said they want the government to do something to limit steel imports from China, where production has increased even as U.S. plants cut back.

"They ain't got no policies like we got," said Dave Stockett, a welder who has worked at the plant for 10 years, explaining China's labor and environment standards mean competitors there can make steel cheaper than U.S. plants.

Dan Wilson, a mechanic, was laid off for three months earlier this year when the company said it lacked orders for its products. He is worried it could happen again.

"Are we going to have a job next year? That's what we want to hear," Wilson said.

U.S. Steel Corp has complained that Chinese domestic subsidies have made it harder to grapple with the slowdown in global steel demand.

The U.S. government is right to step up enforcement, Chief Executive John Surma told reporters.

"Enough or not, it's hard to say, but we're very delighted with the direction," Surma said.

Obama will face a test of his resolve to crack down on trade issues when he rules in September whether to slap steep duties on tires from China, a so-called "Section 421" curb routinely denied by the Bush administration, but requested by the United Steelworkers union and others.

The United States will also face more pressure to carry its end of trade deals. In recent months, it has been criticized for barring truckers from Mexico and imports of Chinese poultry.

"The ability of the United States to maintain the moral and legal high ground on these matters is largely contingent on our doing the same and behaving the same as we're asking our trading partners to," Kirk said, telling reporters the administration is working with Congress on the issues.