

WebMemo



Published by The Heritage Foundation

No. 3291
June 13, 2011

Free Trade Agreements: Heritage Foundation Recommendations

Heritage Staff

Free trade is the framework upon which American prosperity rests. Free trade policies have created economic dynamism that engenders continual innovation and leads to better products, new markets, and greater investment. America stands to gain from expanding its markets through the free trade agreements (FTAs) with South Korea, Colombia, and Panama.

The agreements resolve many of the problems currently thwarting the full potential of bilateral trade and establish channels through which trade concerns can be more effectively addressed. Tinkering with the agreements for the sake of political advantage or what are effectively minor improvements will lead to no agreement rather than a better one, which would severely undermine America's leadership in free trade.

Below are some recent Heritage research products on the three pending FTAs.

Santos at Six Months: Earning Respect and a Free Trade Agreement

Ray Walser, Ph.D.

February 10, 2011

<http://www.heritage.org/Research/Reports/2011/02/Santos-at-Six-Months-Earning-Respect-and-a-Free-Trade-Agreement>

Inaugurated August 7, 2010, Colombia's President Juan Manuel Santos is striking a prudent balance between preserving the security policies of predecessor Alvaro Uribe and forging a new path for economic and social development in Latin America's third-largest nation. Santos's productive first

six months signal that Colombia is an advancing and able partner in a problematic region. Colombia hopes that solid achievements will clear the way for passage this year of the U.S.–Colombia FTA, originally signed in November 2006.

Two years into his Administration, President Obama needs a signature achievement that demonstrates that the U.S. is serious about partnering with friends in the Americas. In Colombia and President Santos, the President has found the right partner. Now he needs to act.

10 Myths About KORUS and Free Trade Agreements

Bryan Riley

March 3, 2011

<http://www.heritage.org/Research/Reports/2011/03/10-Myths-About-KORUS-and-Free-Trade-Agreements>

Would free trade between the U.S. and South Korea be good or bad? Opponents of the proposed trade agreement between the two countries (KORUS) make frightening arguments about the agreement, claiming everything from lost jobs and U.S. sovereignty to special privileges for foreign investors. Some opponents argue that KORUS would not expand free trade, while others claim that free trade is simply bad

This paper, in its entirety, can be found at:
<http://report.heritage.org/wm3291>

Produced by the Douglas and Sarah Allison
Center for Foreign Policy Studies

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

for the U.S. Heritage Foundation trade policy expert Bryan Riley debunks 10 myths about KORUS and explains why anyone who supports freedom has no reason to oppose this agreement.

KORUS Trade Pact Keeps Pressure on North Korea

Anthony B. Kim

April 21, 2011

<http://blog.heritage.org/?p=57709>

By further cementing the positive relationship between South Korea and the United States, KORUS will further weaken the oppressive North Korean regime's strategic position and help disabuse the regime's leaders of any hopes they might have had of flagging U.S. support for the South.

FTAs with South Korea, Colombia, and Panama Would Create U.S. Jobs and Exports

Bruce Klingner and James Roberts

May 13, 2011

<http://www.heritage.org/Research/Reports/2011/05/FTAs-with-South-Korea-Colombia-and-Panama-Would-Create-US-Jobs-and-Exports>

The pending FTAs would spur economic development in all participating countries, strengthening them economically and politically. More importantly, lowering U.S. trade barriers is in America's best interest. As data in The Heritage Foundation's *Index of Economic Freedom* show, people in countries with low trade barriers are much more prosperous than those in countries with high trade barriers. However, in addition to slightly lowering harmful U.S. trade barriers, the proposed agreements with Colombia, Panama, and South Korea have the added benefit of lowering barriers to U.S. exports.

The best approach to ensuring that America continues to reap the benefits of international commerce is one that is based on a solid commitment to advancing trade liberalization—a goal that would be advanced with the passing and implementation of pending trade agreements with Colombia, Panama, and South Korea. Congress should do so quickly.

Trade Adjustment Assistance: Don't Link the Costly and Ineffective Program to Free Trade Agreements

David Muhlhausen, Ph.D., and James Sherk

May 16, 2011

<http://www.heritage.org/Research/Reports/2011/05/Trade-Adjustment-Assistance-Don't-Link-the-Costly-and-Ineffective-Program-to-Free-Trade-Agreements>

While the three pending FTAs would boost economic activity and strengthen ties between participating nations, the Administration and many in Congress want passage of the FTAs to be linked to the reauthorization of the Trade Adjustment Assistance (TAA) program. This ineffective and costly program provides job training, relocation allowances, and unemployment pay for workers who lost their jobs due to foreign trade while they attempt to shift into new occupations.

Congress should not link passage of the FTAs to TAA renewal. Instead, Congress can immediately send a clear message that it is getting serious about the nation's dire fiscal straits by letting the entire TAA program expire on February 12, 2012, setting a much-needed precedent that ineffective programs should no longer receive funding.

Complaints About North Korean Imports a Smoke Screen for Trade Protectionism

Bruce Klingner

May 23, 2011

<http://www.heritage.org/Research/Reports/2011/05/Complaints-About-North-Korean-Imports-a-Smoke-Screen-for-Trade-Protectionism>

Some die-hard opponents of the KORUS FTA are making a last-ditch effort to stoke resistance to the agreement. The most egregious myth is that North Korean goods would freely enter the U.S. market via the North Korean Kaesong Industrial Complex (KIC), resulting in America's de facto subsidization of Kim Jong-il's regime.

South Korea will continue to open its market, with or without approval of the KORUS FTA, but if Congress rejects this agreement, only foreign competitors would benefit. It is time for Congress to remember that the American national bird is the eagle and not the ostrich.

Support Freedom. America should bolster itself against "free trade fatigue" and protectionist sentiment and should revitalize the drive to promote economic growth and prosperity by passing the pending three FTAs without further delay.