

Democrat and Chronicle

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SPEAKING OUT

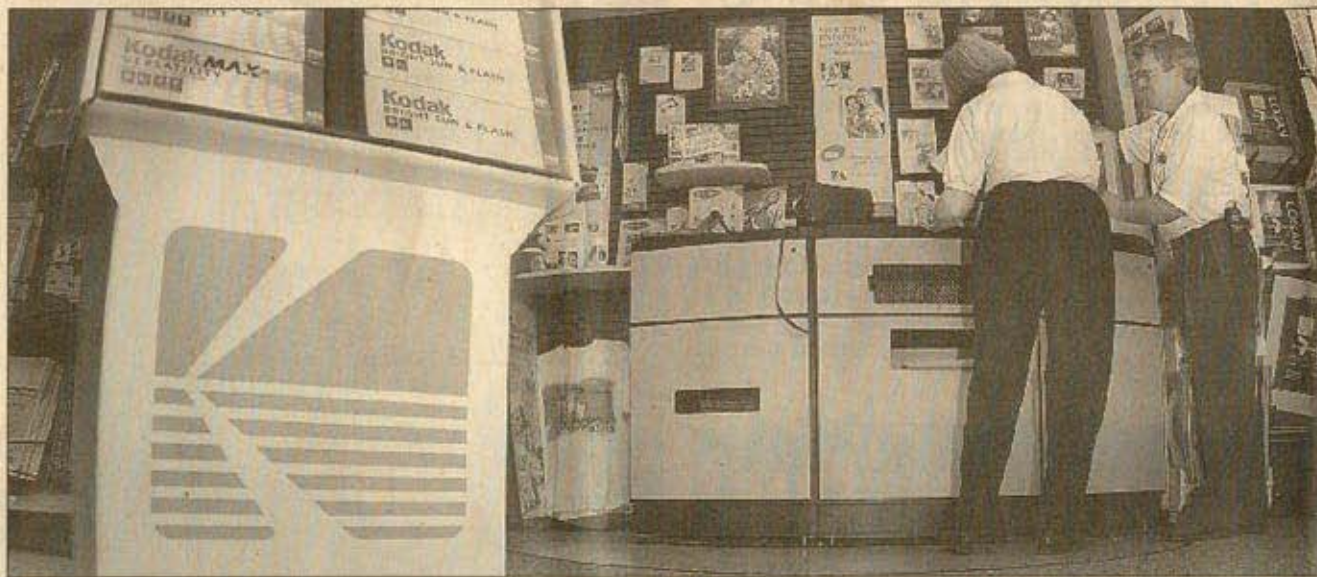
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DEMOCRAT AND CHRONICLE

Rochester needs smoother U.S. trade

**MIKE
BELLAMY**

GUEST
ESSAYIST



File photo

Representatives from Kodak and Scott's Photo prepare prints for a horticulture exposition in Japan last month.

The U.S. economy has slumped to its lowest levels in years. And as we are well aware, when the national economy slows, the Rochester region usually feels the consequences earlier, more severely and for a longer period of time.

In challenging economic times like these, it's important to stick with common sense policies that work — and trade works. America has prospered when we have explored opportunities abroad and have exported our products to the world. A primary key to Rochester's and the nation's economic growth is trade. In the 1990s, as much as one-third of U.S. economic growth came from our unrivaled ability to sell abroad what we make here at home. Today, one in 10 jobs relies on trade, and these jobs pay 13 to 18 percent more than the average wage.

But the ability of Rochester companies to export is growing weak. Trade barriers erected by other nations are freezing out our goods and services.

The problem: Our trade negotiators lack Trade Promotion Authority. This authority guarantees our trading partners that Congress will vote "up or down" on a trade agreement within a

given period of time. This authority expired in 1994.

Without this authority, foreign governments are reluctant to make agreements and concessions that could be changed later by Congress. As a result, the United States is not able to negotiate new trade agreements that eliminate foreign trade barriers.

Consequently, the United States has fallen dangerously behind. Other countries are negotiating an ever-growing web of preferential trade and investment arrangements that exclude

American products and services.

Consider this:

- Of the more than 130 regional trade agreements in force today, only two include the United States.

- Mexico has trade deals with at least 28 countries, and is working on agreements with South America and Japan.

- The European Union has trade agreements with 27 countries.

- One-third of world exports in 1999 were covered by EU agreements. Meanwhile, U.S. agreements covered

only one-tenth of world exports, sending dollars to competitors that could have been paid to U.S. workers.

U.S. companies, workers and farmers pay a high price for our inaction on the trade authority. Compared to those of other nations, U.S. exporters often face higher foreign duties, greater barriers to services and investment and higher roadblocks in obtaining regulatory and standards approvals.

Consider a real-world example. A Canadian manufacturer and a Rochester manufacturer both send nearly

identical products to Chile. Upon arrival, the Canadian good is transferred to a retail store where it is priced at 1,000 pesos; it sits next to our own product, priced higher at 1,080 pesos. Why? Canada has a trade agreement with Chile, but we don't — and our goods get slapped with an 8 percent tariff.

We can't compete under this kind of financial handicap, yet the story is the same the world over. Other countries negotiate trade deals for the benefit of their own farmers and workers, while U.S. farmers and workers are retired to the sidelines under a burden of quotas and tariffs.

There is tremendous growth potential for our economy; 96 percent of the world's consumers are outside our own borders. Since our domestic markets are mature, we must sell to foreign markets. And we must get into the game before our competitors shut us out for good.

This is no time to isolate America from new opportunities, slamming the door on markets that could renew our growth. Fortunately, the answer is clear: Growth requires trade, and trade requires trade authority.

Our farmers and workers can compete and win in world markets, but only if Congress gets us back on a level playing field — and soon. □