



For Immediate Release
Wednesday, Dec. 2, 2009

Grassley: White House Jobs Summit Should Include Focus on Expanding Trade

WASHINGTON – Sen. Chuck Grassley today urged the President to focus part of tomorrow’s White House jobs summit on creating good jobs in the United States by developing new market opportunities for U.S. products through expanded trade.

“The opportunities presented by pending trade agreements will have a real impact on sustaining and creating good-paying jobs in the United States,” Grassley said. “Meanwhile, while we’ve been standing still, our trading partners have been negotiating new trade agreements among themselves. If the United States fails to implement our pending trade agreements soon, we’ll put our producers and their workers at a serious competitive disadvantage. It would be senseless and irresponsible to do that.”

Grassley wrote to President Obama on the eve of the White House summit to focus on ways to create jobs in the struggling economy. Earlier this week, Grassley said the White House should focus on tax relief for small businesses, which create 70 percent of all net new jobs yet have been largely ignored in the stimulus plans of the administration and congressional leaders and are targeted for significant tax increases in the House of Representatives-passed health care bill.

Grassley, an Iowa Republican, is ranking member and former chairman of the Committee on Finance, which writes trade policy in the Senate.

The text of Grassley’s letter to the President on trade at the jobs summit follows here.

December 2, 2009

The Honorable Barack H. Obama
President of the United States

The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Obama:

I am writing with respect to the jobs summit that you are hosting tomorrow at the White House.

I strongly support this focus on job creation. With unemployment levels projected to remain at unacceptably high levels next year, it is urgent that we work together to implement policies that will have an immediate impact on reducing unemployment and strengthening the long-term competitiveness of the U.S. workforce in our globalized economy. One such policy is to expand opportunities for international trade.

But, to effectively accomplish that, we must move beyond political rhetoric and engage in sober economic discourse. I understand that you will convene a discussion group on export-oriented businesses during your jobs summit. That is a good start, but those businesses need meaningful access to foreign markets in order to thrive.

Our experience implementing recent trade agreements is instructive. Following the implementation of our trade agreements with Chile, Morocco, Bahrain, Oman, and the countries of Central America and the Dominican Republic, we saw our respective bilateral trade deficits with those countries convert into trade surpluses. In addition, the implementation of our trade agreements with Singapore, Australia, and Peru increased our bilateral trade surpluses with those countries—substantially so in the cases of Singapore and Australia.

There is no reason to believe that the outcome would be any different with respect to our pending trade agreements with Colombia, Panama, and South Korea. Indeed, the independent U.S. International Trade Commission (ITC) has studied these trade agreements and found that, with respect to Colombia and South Korea (countries with which we currently have bilateral trade deficits), implementation would likely result in a net increase in U.S. exports and an overall increase in our gross domestic product (GDP) measured in the billions of dollars. In the case of Panama, the ITC found that exports of specific U.S. products would likely increase as much as 145 percent.

The Department of Commerce once estimated that 20,000 American jobs are created for each one-billion dollar increase in U.S. exports. The opportunities presented by our three pending trade agreements will have a real impact on sustaining and creating good-paying jobs here in the United States.

Moreover, further delay is not without cost. While we have been standing still, our trading partners have been busy negotiating new trade liberalizing agreements among themselves. South Korea recently initialed a trade agreement with the European Union that should enter into force next year. Colombia has done the same with Canada, and it

too is in negotiations with the European Union. And Panama recently concluded its own trade negotiations with Canada. If we fail to implement our pending trade agreements promptly, we will place our producers and their workers at a serious competitive disadvantage. It would be both senseless and irresponsible for us to do so.

On a broader level, you are no doubt aware that the private U.S. savings rate has risen this year. With greater savings comes decreased domestic consumption—leaving U.S. producers more reliant on overseas markets to sustain and grow their sales. Yet, the United States lags our major trading partners in terms of the contribution that exports make to GDP. Exports are a double digit percentage of GDP for Canada, South Korea, Mexico, China, Russia, Japan, and the European Union. In the United States, it is less than 10 percent. The point is, we have room for improvement, and that starts with seizing the opportunities at hand.

It is urgent that we break the political gridlock over trade and take immediate action to help American workers. I began this Congress with that commitment, and I am proud of my work with Chairman Baucus, Chairman Rangel, and Ranking Member Camp to produce the largest overhaul of our trade adjustment assistance programs in over 30 years. That was the first step. The next step is to seize the new market access opportunities that await American farmers, manufacturers, service providers, and their workers, in Colombia, Panama, and South Korea, as soon as possible.

I stand ready to work with you to make that happen, and ask that you submit to Congress the implementing legislation for our trade agreements with Colombia, Panama, and South Korea without delay.

Sincerely,

Charles E. Grassley
Ranking Member