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FYI

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Sent: Thursday, October 06, 2011 10:12 AM
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The National-Security Case for Free Trade

'At no time in human history has a nation of diminished economic vitality maintained its military and security primacy.'
 Wall Street Journal October 6, 2011, Pg. 19 **By Tom Donilon**

On Monday, President Obama submitted three critical free trade agreements to Congress and asked both chambers to advance them expeditiously. Passage of these agreements is a matter not just of economic and commercial opportunity but also of national security.

With the passage of the agreements, the United States will signal our commitment to strengthening bilateral relations with our ally South Korea and our partners Colombia and Panama, to revitalizing our export sector, and to enhancing our economic strength in key markets. Our power and influence in the world is directly tied to our economic strength, and the agreements will help enhance domestic prosperity while bolstering our position globally.

The agreements are demonstrations of American strength and resolve. Amid widespread economic uncertainty, their bipartisan passage will signal our willingness and ability to move forward with high-quality agreements and to drive global growth. Passage will also strengthen America's hand as we negotiate other agreements and increase our footprint in strategic markets.

The agreements can increase our competitiveness and support jobs in the U.S. This is critical to maintaining our global leadership. As the president has said, "At no time in human history has a nation of diminished economic vitality maintained its military and security primacy." The successful entry into force of these treaties will support more than 70,000 American jobs. If we fail to take advantage of what the agreements have to offer, U.S. producers and the U.S. economy will lose out.

This point is critical. The world's trade dynamics are changing rapidly, and the U.S. needs to keep pace. We are South Korea's closest ally and we used to be its biggest trading partner, but since 2003 we have fallen behind China and Japan. With the July 1, 2011, entry into force of the European Union-South Korea free-trade agreement, we are now behind the EU as well.

In fact, since 2001 our share of South Korea's import market for goods has fallen to 9% from 16%. This is with the world's 12th-largest economy, with a projected growth rate exceeding the global average. We cannot afford to miss out on more economic and commercial opportunities in South Korea, a friend and ally with whom our relationship in every other dimension could not be stronger.

We see some of the same dynamics playing out in Colombia and Panama. In Colombia, the largest South American market for U.S. agricultural products, we have seen our market share of total agricultural imports decline to 21% in 2010 from 40% in 2007. Colombia's free trade agreement with Canada, entered into force on Aug. 15, will only intensify this trend.

These agreements will also help strengthen our economic and commercial presence in Asia and Latin America, two regions where we have been strategically underweighted. We have fought to reinvigorate our partnerships with countries in these regions over the past few years, and closer economic ties are a key component of this effort. South Korea and the U.S. have a deep and longstanding alliance, and our trade agreement will strengthen the economic arm of that relationship, putting it on par with our close bilateral military and security cooperation in the face of the threat from North Korea. It will buttress our efforts in the Asia-Pacific Economic Cooperation forum and in the Trans-Pacific Partnership, as well as promote a broader and more influential U.S. presence as several Asian countries pursue regional economic integration.

This is increasingly important as Asian countries secure preferential trade agreements among themselves and with other trading partners: 180 are currently in force, 20 are awaiting implementation, and 70 are under negotiation. U.S. companies and workers cannot risk our country falling behind in these growing markets.

Passage of the agreements will also signal our commitment to mutually beneficial policies in the Americas. Colombia is a strategic partner in the fight against transnational crime, and our bilateral economic integration will help support the aggressive reform agenda that President Juan Manuel Santos is pursuing. Twenty percent of our trade to Asia passes through Panama, and the U.S.-Panama trade agreement will strengthen a historically strong relationship.

Enhancing America's global leadership lies at the heart of President Obama's national security strategy. This means building stronger ties with our allies and key partners, a vibrant economy here at home with more jobs for American workers, and more opportunities to tap key markets. Passage of these agreements is critical to achieving these goals. Mr. Donilon is national security adviser to President Obama.