



## Obama's Efforts To Boost Exports Face Hurdles

by Scott Horsley

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One solution for the unemployment problem in the United States might be found overseas. President Obama says doubling exports in the next five years could add 2 million jobs. But some say the administration would have to cross some Democrats to make that happen.

Drew Greenblatt is an export believer. His company, [Marlin Steel Wire Products](#) in Baltimore, makes wire baskets for industrial customers like [Boeing](#) and [Caterpillar](#). Thanks to a push in the past few years, exports now account for about 25 percent of his business. Or, as Greenblatt puts it, foreign customers put food on the table for 1 in 4 of his employees.

"We have cars and homes and mortgages being paid for because we are selling and competing vigorously against foreign companies," he says. "We are growing our company and hiring people to keep up with this [foreign demand](#)."

Greenblatt's 30-person firm has gotten help from the Commerce Department, which operates various programs to encourage exports. One of those offers a guarantee that foreign customers will pay their bills.

"We shipped a job to Singapore that we never would have shipped," he says. "The federal government guaranteed the credit, and we got paid and everything

worked out. Because of that, Baltimore city employees were working overtime to accommodate this business in Singapore."

But Greenblatt's company is in a tiny minority. Less than 1 in 100 U.S. firms do any business overseas.

Obama wants to change that. Commerce Secretary Gary Locke will outline details of the administration's new National Export Initiative on Thursday.

Boosting foreign sales is a good idea, says Fred Bergsten, who directs the Peterson Institute for International Economics. But he says it will take more than government credit guarantees or stepped-up trade promotion to reach the president's goal of adding 2 million export jobs.

Tackling China's currency, for example: Bergsten says China keeps its exchange rate artificially low, making American goods more expensive and making it harder for American firms to compete in the vast Chinese market.

"China has not responded to sweet reason," Bergsten says, "so it probably is time to toughen up the approach."

Bergsten suggests that the U.S. challenge China's currency valuation before the World Trade Organization. So far, the administration has declined to label China as a "currency manipulator." Obama did say Wednesday that exchange rates are a challenge that should be addressed internationally.

Bergsten also wants the president to push for quick ratification of free trade agreements with South Korea, Panama and Colombia. Obama stopped short of that in his State of the Union address, saying only that he wants to strengthen trade ties with those countries. When the president met last week with House Republicans, Illinois Rep. Peter Roskam told him the GOP wouldn't stand in his way.

"That's no-cost job creation," Roskam said. "But the obstacle is, frankly, the politics within the Democratic caucus."

Obama acknowledged that Democrats have been wary of free trade agreements, fearing that foreign competition would cost U.S. jobs. But Republicans are nervous, too.

Dartmouth economist Matthew Slaughter says voters in both parties have grown skeptical of whether free trade policies are working for them.

"The average voter in the U.S. has been pretty on the fence about whether they want more trade coming into the United States," Slaughter says. "The income pressures that a lot of households have faced in recent years have sort of shifted

that balance where more voters now are a lot more wary of globalization than they used to be."

Obama promises to strictly enforce both new and existing trade agreements to make sure other countries play by the rules. But he told Senate Democrats on Wednesday that America shouldn't shy away from international competition.

"We've got the best workers on Earth, we've got the most innovative products on Earth, and if we are able to compete on an even playing field, nobody can beat us," he said.

[Wire basket](#) maker Drew Greenblatt says his company is living proof. Somewhere in Taiwan, he says, there's a shipping clerk opening a box of his products labeled "[Made in the USA.](#)"

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