

We need a new consensus on trade

By David Sirota
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You've probably heard that John McCain once said, "I know a lot less about economics than I do about military and foreign policy issues." This line is regularly referenced by Democratic television pundits as evidence that McCain is unprepared to lead the country during a recession.

The criticism is certainly valid, but it ignores something more troubling. It's not that politicians like McCain "need to be educated" about economics, as he admitted. It's that they do not comprehend how economics impacts international affairs.

Behold McCain at a recent town meeting.

"We need our Canadian friends, and we need their continued support in Afghanistan," he said. "So what do we do? The two Democratic candidates for president say they're going to unilaterally abrogate NAFTA. How do you think the Canadian people are going to react to that?"

Opinion-makers, think-tankers and other assorted conventional wisdom spewers depict McCain's thesis as unquestioned truth. They claim that though most Americans oppose our trade policies, the world's masses love them, and if we change them, we will lose allies.

This rationale justifies the fabled Washington Consensus — the set of right-wing globalization measures currently destabilizing the world economy. And because our politicians' international curiosity begins and ends with turning French fries into freedom fries, this rationale goes unchallenged in America's political debate.

Facts, however, are persistent things — facts like the Toronto Star report showing "almost half of all Canadians [believe] NAFTA should be renegotiated," with 80 percent saying it has done little or nothing for workers. McCain wonders how Canadians will react to NAFTA criticism, but the results are already in: According to polls, they prefer the NAFTA-bashing Barack Obama by a 5-to-1 margin over the NAFTA-glorifying Arizona senator.

"Canadians believe NAFTA needs serious work," said Jack Layton, leader of Canada's New Democratic Party. The likely prime-minister candidate told me he wants to reform the pact because it helps corporations overturn laws and because its lack of standards forces workers into a wage-cutting, environment-destroying race to the bottom.

"NAFTA has become the template for other trade negotiations," Layton said. President Bush says that's terrific — that, for instance, rewarding Colombia's brutal government with a NAFTA-style pact will quell anti-Americanism from Venezuelan President Hugo Chávez. But Layton said these deals are "the real problem" for America around the world — and he has more pesky facts to support the assertion.

The Los Angeles Times reports that polls show animosity toward U.S. globalization policies is growing throughout Latin America. Mexicans now oppose NAFTA by a 2-to-1 gap — predictable considering their country's plight. In the 14 years preceding NAFTA, Mexico was among Latin America's fastest-growing economies. In the 14 years since, it is among the slowest.

When I spoke with Costa Rican economist Otton Solis, he told me, "Many Latin Americans see these trade agreements as an imposition." He pointed to accords helping agribusiness crush local farmers and pharmaceutical companies inflate medicine prices as typical examples of America foisting corporate-written edicts on poorer countries.

Solis narrowly lost his 2006 bid for Costa Rica's presidency, and he plans to run again on anti-Washington Consensus themes. He noted that just like in the United States, the public in South America is not clamoring for lobbyist-written trade deals — "only the elites are." Far from a diplomatic panacea, Solis said these policies help anti-American rulers like Chavez, who cite them as proof of imperialism.

Now there is the possibility of change. Come November, if Americans elect leaders who are serious about reforming trade policies — a big if — then we may get a government that understands the relationship between economics and foreign policy. We could see a new Washington Consensus: one that actually reflects public consensus at home and abroad.

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