

Forces Are Aligning To Move The Tea Party Toward Free Trade Stance

Inside U.S. Trade
October 28, 2010

Students of history remember that the Boston Tea Party of 1773 was about a trade issue - a direct reaction to an increased effective duty on East India Company tea imported into the American colonies. The relationship of the Tea Party of 2010, a driving force behind the projected Republican takeover of the House of Representatives, and trade issues is somewhat murkier, however.

Washington-based advocates of expanding free trade are grappling with whether the Tea Party, which flaunts a populism that at times disdains all things foreign, may be protectionist.

As Eric Farnsworth, vice president of the Council of the Americas, put it in a letter to the editors of the Financial Times last week, some experts are questioning whether the conventional wisdom that a larger Republican majority in the House is a boon for the pending free trade agreements. This view "may overstate the support in the Republican caucus for rapid action on pending trade agreements, particularly as Tea Party populists replace pro-trade congressional votes, Republicans and Democrats alike," he wrote.

Business organizations are thus poised to begin educating Tea Party freshmen on the value of free trade agreements.

Christopher Wenk of the U.S. Chamber of Commerce said in an interview that his organization will be looking to educate freshmen members of the Congress including those who have allied themselves with the Tea Party on the value of the free trade agreements. "We will have our work cut out for us," he said, adding that current freshmen have also never voted on a free trade agreement. According to the Cook Political Report, the new Congress could have the largest freshman class since 1992.

Another trade lobbyist said that he would be taking on similar education efforts but noted that these freshmen will not likely be taking positions on the House Ways and Means Committee or the Senate Finance Committee which go to more senior members (see related story).

How they would vote on the floor on issues like a China currency bill, on the Korea FTA or on funding a pilot program to allow Mexican trucks into the U.S. in order to end retaliatory Mexican tariffs, is another matter, this lobbyist said.

These lobbyists will be aided in their quest to educate on trade by several organizations which have provided the funding and guidance to the Tea Party. Policy specialists at these organizations said this week that they are strongly pro-free trade and will be working with Tea Party-backed candidates to promote open markets.

Phil Kerpen, vice president for policy at the Americans for Prosperity said his Tea Party-affiliated

organization is staunchly pro-free trade and would be working with Tea Party supported candidates to advance the trade agenda. Americans for Prosperity has been an important organizer and sponsor of Tea Party events. It is supported by Koch Industries, a mining, refining and chemicals conglomerate.

Kerpen said Americans for Prosperity supports the pending FTAs, opposes the House-passed China currency bill and supports allowing Mexican trucks on U.S. roads as called for in the North American Free Trade Agreement.

Kerpen acknowledged that overall the "Tea Party is a social movement" and that trade is not at the forefront of its agenda. He said that Tea Party candidate Rand Paul who is the likely winner of Sen. Jim Bunning's (R-KY) Senate seat opposes bilateral free trade agreements in favor of more libertarian dropping of duties. He said that he did not believe any other candidates were holding that view.

He added that Americans for Prosperity hasn't yet set an official post-election agenda but that trade was unlikely to be at the top. Ahead of it was working to roll back federal regulation such as the Environmental Protection Agency's ability to regulate greenhouse gases, he said. If Democrats lose control of the House, the Obama administration will be looking to take executive branch action on environmental and other issues, and the Tea Party will be focused on opposing that, he said.

In an interview this week, Randy Lewis, a spokesman for the Tea Party Patriots said that his umbrella organization has not take a specific position on the Korea FTA, the China currency bill and Mexican trucks. The Patriots provide a forum for local Tea Party activists to coordinate activities and raise money for organizing activities and rallies.

Lewis said, however, that the Tea Party Patriots have three core values: support for limited government, fiscal responsibility and free markets. He said that the latter includes "open trade."

The Tea Party Patriots' Web site on the three core values does not mention trade, however.

"I am sure the Tea Party will be working with the leadership of the House and Senate in order to advance anything supportive of free trade and open markets. I think they are going to be looking to say a lot more after the election," Lewis said.

Two other Tea Party organizations, the Tea Party Express and Freedomworks did not respond to calls for comment. Lobbyists however said that Freedomworks is pro-FTA and is prepared to work to advance free trade.

With the exact positions of many Tea Party candidates on the pending free trade agreements not yet known, politicians and lobbyists are working to gather them.

Troy Stangarone, director of congressional affairs and trade at the Korea Economic Institute, whose organization is pushing for congressional passage of the Korea free trade agreement, has found that the vast majority of self-identified Tea Party candidates have taken no concrete position on trade as of yet.

Stangarone looked at 129 House races and nine Senate races where the Tea Party is competitive.

In the House, he found 86 Tea Party candidates did not take a position on trade, and 17 of these are likely to win, based on the Cook Political Report. Twenty-seven have made pro-trade statements, of which six are likely to win and 15 have made anti-trade statements, of which three are likely to win. In the Senate, he found that seven of nine Tea Party candidates have made pro-trade statements, and six of these are likely to be elected.

In this analysis, when Michigan candidate John Hauler says "our membership in the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO) have largely been exercises in futility," that is counted as anti-trade. Hauler however praises the Korea FTA's agricultural provisions and says that if its automotive provisions can be changed, it should be implemented. North Carolina candidate B.J. Lawson blasts his opponent Rep. David Price (D-NC) for voting for "NAFTA and Permanent Normal Trade Relations (PNTR) with China," and thereby is counted as making an anti-trade statement.

On the other hand, calling for passage of the pending FTAs with Korea, Colombia and Panama, as Virginia Republican Keith Fimian does on his Web site's jobs plan, is an example of a pro-trade comment. Fimian is running strongly against Rep. Gerry Connolly (D-VA). Senate candidate Rand Paul is considered pro-free trade for his support in the media of the Korea FTA, despite his opposition to participation in the World Trade Organization.

Republican leadership is also meeting with Tea Party candidates to assess their positions on trade.

Rep. Kevin Brady (R-TX), the trade subcommittee ranking member, told an audience at the Peterson Institute this week that his "face-to-face talks with Tea Party candidates are very positive about trade."

"They see this as a freedom issue. The freedom to buy and sell and compete around the world with as little government interference as possible," he said.

"There has been a frustration among the Tea Party candidates I've talked to that this government, this Congress has been ignoring a major part of our economy and stopping progress with important allies like Colombia and Panama, that that is seen as an unfairness and a poor policy decision both from a jobs standpoint and a security standpoint. So I think overall those new members of Congress guided strongly by the Tea Party are going to weigh in on the freedom side of this issue," he added. - Erik Wasson