

Clinton pledges to revisit trade deals

By Edward Luce
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Hillary Clinton, frontrunner for the Democratic party's presidential nomination, on Monday said that all US trade agreements should be evaluated every five years and, if necessary, amended.

The process should start with the North America Free Trade Agreement, which was the signature trade pact of her husband, Bill Clinton, when he was president.

The comments, which were aimed at union leaders who remain critical of Nafta, which they say has displaced US workers, amount to her strongest break so far with Mr Clinton's pro-free trade agenda of the 1990s.

Mrs Clinton said Nafta suffered from "serious shortcomings". She also reiterated her pledge to incorporate strong environmental and labour protections in future trade deals – a measure most economists view as protectionist.

"I think it is time that we assess trade agreements every five years to make sure they're meeting their goals or to make adjustments if they are not," she said in a speech in Cedar Rapids, Iowa, which stages the first caucus vote in the presidential nomination process next January. "And we should start by doing that with Nafta."

Her speech followed new polling numbers that show Mrs Clinton for the first time taking a clear lead over Barack Obama and John Edwards, her two closest rivals, among voters in Iowa. Mrs Clinton has maintained a large lead among national voters since the campaign began in January.

On Monday she set out her most detailed economic blueprint in a speech that focused on the insecurities of the US middle class. She pointed out that in 2005 all of the income gains went to the top 10 per cent of Americans while the remaining 90 per cent saw a decline in their incomes.

The top 1 per cent of Americans now accounted for 22 per cent of national wealth, she said, compared with 9 per cent in 1970.

"We have to change our economic course just as we have to change course in Iraq and change course when it comes to healthcare," she said.

"I judge the health of our economy by asking whether our middle class is expanding and getting ahead. This administration has failed that test. Mine will not."

In addition to the five-year trade reviews, Mrs Clinton said she would appoint a federal trade enforcement officer who would monitor compliance with trade agreements.

She also pledged to expand the trade assistance adjustment programme, which retrains manufacturing workers who lose their jobs when employers relocate to other countries.

She would extend the TAA to redundant service sector workers, whose jobs have mostly been “offshored” to India, and to workers whose employers have relocated to countries that have no trade agreements with the US, such as China.