A New Consensus on Trade

By <u>Douglas Schoen</u> Real Clear Politics November 16, 2007

Americans from both political parties are starting to recognize the very real dangers of unfettered free trade.

A recent Wall Street Journal-NBC News poll found that six in ten Republicans believe that trade with other nations is bad for the economy. This reflects a significant change, and puts GOP voters in the same camp as rank-and-file Democrats, the majority of whom are also leery of free trade between America and other nations.

After all, the downsides are enormous. People lose their jobs and families are displaced. Since 2001, the nation has lost over 3 million manufacturing jobs. Such losses have been devastating to Ohio, Michigan, Pennsylvania, and other industrial states.

And when we import goods from nations where safety and regulation are mere afterthoughts, American families end up with pet food, toothpaste, and toys that are tainted with deadly chemicals. In just the past three months, more than 21 million Chinese imports have been recalled. And three children have lost their lives in faulty playpens manufactured in China.

With more U.S. firms than ever rushing overseas in search of cheap labor and minimal regulation, Western corporations are perilously close to launching a global race to the bottom.

In China, for instance, workers often toil 14 hours or more each day for low wages and nonexistent benefits in dangerous work environments. China has more deaths per capita from work-related illnesses than any other country in the world. Two years ago, according to the Chinese government's own data, 386,645 Chinese workers died of occupational illnesses. Millions more lose fingers and other limbs each year. And it's likely that China's communist leaders are understating the problem.

The depth of these harms wasn't yet clear when Bill Clinton signed the North American Free Trade Agreement in 1993. That's why Democratic presidential frontrunner Hillary Clinton recently distanced herself from her husband's signature, pledging a "timeout" on new trade agreements if elected. She has also proposed mandatory reviews of trade agreements five years after ratification, increased monitoring of other nation's compliance with accords, and stricter labor, safety, and environmental standards in all agreements.

A chillier view of free trade by the political class combined with the recent polling data thus show that there's a new consensus on trade. This offers lawmakers a golden opportunity to advance bipartisan trade policies that protect American jobs, safeguard the American consumer, and lift labor standards abroad.

In the next few weeks, legislators in both the House and Senate will have the opportunity to do just that.

Take the pending accords with Panama and Colombia. Here, lawmakers have already had some success. This spring, House Speaker Nancy Pelosi convinced the Bush administration to attach labor and environmental protections to all pending trade deals. Legislators must make certain that the Bush team follows through on its promise.

In Colombia especially, where there is a history of violence against labor activists, lawmakers must ensure that any trade agreement includes an enforceable commitment to abide by labor standards.

Congress could also take on China by year's end. Because of China's undervalued currency, policymakers from both parties have proposed legislation to levy punitive duties on Chinese goods. And due to its lack of safety regulations, lawmakers have put forth the idea of user fees on imports to increase the frequency of inspections.

The Bush administration stands strongly opposed to such action, but both measures stand a very good chance of passing with bipartisan support.

Finally, lawmakers will have an opportunity to show restraint on trade by refusing to allow an open trading policy for prescription drugs.

The truth is that we can't control what goes on in other countries. With prescription drugs, the World Health Organization estimates that ten percent of the world's supply is counterfeit. And the Food and Drug Administration maintains that they simply cannot certify the safety and effectiveness of imported drugs before they reach the U.S. market.

What's more, open trading for prescription drugs would harm one of the most vibrant industries in the nation. Not only are good-paying, high-tech American pharmaceutical jobs at risk, but all those in complementary industries would also be endangered.

Some trade skeptics currently support importation, but given these realities, it seems that drugs shouldn't be the exception.

In theory, free trade benefits the economy as a whole. But in order for free trade to work, it must be fair. Safety and regulatory standards must be enforced abroad, the environment must be protected, and foreign workers must be fairly compensated. Americans don't want their shores invaded by cheap junk if it will harm their bodies or their economic prospects.

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