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Obama on Free Trade: Doing It Wrong

By Ramesh Ponnuru - Feb 10, 2014

Trade-promotion authority is the rare issue where President Barack Obama is closer to congressional Republicans than to Democrats.

Representative Dave Camp, the Republican chairman of the House Ways and Means Committee, told me he's eager to give that authority to Obama and to the next president. Senate Majority Leader Harry Reid, a Democrat, says he won't let it happen.

Supporters of free trade should hope that Obama and Camp win this one. But they should also reconsider whether trade-promotion authority ought to be as central to their game plan as it has been for the last few decades.

When Congress passes trade-promotion authority, it says that if the president submits a trade agreement it will get an up-or-down vote, with no amendments, within three months. The idea is that other countries will be more likely to make a trade deal with the U.S. if they know the terms won't be renegotiated on Capitol Hill.

For a long time, this procedure really did promote trade liberalization, and Camp appeals to this record in making his case. "Every president since FDR has had this authority," he told me. He thinks renewing the authority will help talks over a Trans-Pacific Partnership -- a free-trade deal among 12 Pacific Rim countries -- succeed, and enable other agreements in the future.

And if presidents aren't given that authority? "There are other avenues to negotiate new markets with, and other countries don't have our systems of government," he said. In other words: Countries will make deals with China or Russia instead of with the U.S.

Even so, the old argument for trade-promotion authority has lost some of its force. K. William Watson, who studies trade for the Cato Institute, a libertarian research group, [argued](#) in December that passing the trade-promotion authority just to conclude the Trans-Pacific Partnership didn't make sense. Talks were already well under way, and could be slowed down by the new negotiating demands Congress would make as a condition for passing the authority.

Watson points out that the standard procedure for freeing trade requires winning two votes in Congress: First the authority has to be granted, and then the final deal passed. "Why have the same debate twice?" he asks. It's actually worse than that, because it's harder to get the trade-promotion authority than to enact a deal.

Congress hasn't granted the authority since 2002, when a Republican House passed it by a 215-212 vote. It lapsed in 2007. Yet Congress has been able to pass several notable trade agreements by wide margins since then. In 2011, a free-trade deal with Colombia got 262 votes in the House, one with South Korea got 278, and one with Panama got 300.

The congressional debate over trade-promotion authority tends to turn on the abstract question of whether free trade is a good idea. Protectionists can conjure up all kinds of grim scenarios about where liberalization will lead. In the debate over actual trade agreements, on the other hand, proponents can point to concrete benefits -- this specific market will be opened in this specific way to our exports -- to set against such fears. It's an easier fight for the pro-trade side.

And other countries can't count on trade-promotion authority to mitigate the risks of negotiating with the U.S. When Democrats had control of the House in 2008, they [voted against](#) complying with the commitment to make a quick decision on trade agreements. The "fast track" took three more years.

Watson concedes that, at this point, the Obama administration can't walk away from its demand for trade-promotion authority without sending a bad signal about its resolve to complete trade deals. But that resolve is, in fact, in question. A few days after Reid said trade-promotion authority was going nowhere, he had a long meeting with Obama. Afterward, Reid [said](#) that trade hadn't even come up.

Camp refused to comment on whether Obama was doing enough, saying only, "That's going to be the administration's job, to get support from Democrats in Congress." If he wants the authority, Obama will have to lean on Reid to allow a vote.

Which brings us back to Watson's point. If Obama negotiates a free-trade deal in the Pacific, he will have to hit up his fellow Democrats in Congress again to approve it. It might have been better for the president to dispense with trade-promotion authority altogether: to get an agreement and then move straight to a vote. That way he wouldn't have to make so many requests, and create so many chances to be turned down.

It might have been better for free trade, too.

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