



Froman: Rejecting TPP would weaken the US

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A rejection of the Trans-Pacific Partnership trade deal would go far beyond just causing U.S. exporters to miss out on lower tariffs, U.S. Trade Representative Michael Froman said today. It would also weaken America and hurt the status of the U.S. as an international leader, he said in an address to the CATO Institute in Washington.

“Rejecting TPP would undermine U.S. leadership, not only in the Asia-Pacific region, but around the world,” Froman said in a speech that warned about the consequences of becoming a more protectionist country. “Our allies couldn’t help but question whether we had the will to make good on our commitments.”

To make his point, Froman passed along a comment to him from the prime minister of Singapore: “If you’re not prepared to deal when it comes to cars, services and agriculture, can we depend on you when it comes to security and military arrangements?”

Froman lauded the 12-member TPP deal that the Obama administration still hopes Congress will ratify this year, but much of the speech was dedicated to pushing back on the idea that the U.S. should increase tariffs on imports, as Donald Trump has proposed when it comes to dealing with China and other countries.

Trump, the presumptive GOP presidential nominee, earlier this week delivered his most comprehensive trade policy speech yet, blasting TPP and pledging to pull out of the North American Free Trade Agreement unless Canada and Mexico agreed to renegotiate it.

“I’m going to instruct my Treasury secretary to label China a currency manipulator, which should have been done years ago,” Trump said in a speech in Pennsylvania on Tuesday. “Any country that devalues their currency in order to take unfair advantage of the United States, which is many countries, will be met with sharply. That includes tariffs and taxes.”

President Barack Obama, who met with the leaders of Canada and Mexico in Ottawa Wednesday, warned that trying to withdraw from the global economy would be a blow to the U.S.

Froman followed up today, saying, “If the United States were to turn inwards, the results would be economically devastating. History has proven beyond a doubt that protectionism doesn't work. Raising tariffs on our trading partners could only lead those countries to respond in kind and block our exports. That is a trade war and we know that no one wins a trade war.”

And he was joined at the event by Clayton Yeutter, former U.S. Trade Representative in the Ronald Reagan administration and USDA Secretary in the George H.W. Bush administration, who also lashed out Thursday at Donald Trump's trade positions.

“We're a signatory to NAFTA,” Yeutter said. “We have a lot of trade agreements around the world. We ought to honor them all. And when we start talking about tearing them up, that's just nonsense.”

The ramifications of undoing NAFTA, Yeutter said, would be immense.

“I worry about the carnage that would affect my kids, my grandkids and my great grandkids and I'm just appalled with this loose language that's being thrown around,” he said.

But Yeutter was equally critical of Trump's desire to kill the Trans-Pacific Partnership and Hillary Clinton's claim that she would change it. He chastised Clinton and Trump for being “dead wrong.”

“Mr. Trump clearly wishes to be more anti-trade than Mrs. Clinton, and that forces her to take positions that shatter her credibility. She correctly favored TPP while she was Secretary of State, and nothing has happened since then that should have changed her mind,” Yeutter told Agri-Pulse.

“The rest of the world thinks we're crazy on these trade policy issues and I can understand how they come to that conclusion,” Yeutter said.

He called on U.S. leaders to “abandon the harsh language that seeks to say to the world, ‘We, the U.S. are going to impose our will in determining the rules of global trade.’” Yeutter added.

“Instead of destroying relationships, we need to be developing constructive relationships with our trading partners. We already have plenty of enemies in the world; let's make sure we have some friends.”

Meanwhile, Froman said he is making good progress in smoothing over TPP concerns held by industry groups and lawmakers on Capitol Hill.

“We are continuing to consult with the leadership of Congress ... to determine the best way to move forward,” he said. “We are at the same time working to resolve outstanding issues.” He said he and his staff have been working with the dairy sector and with the pork producers and both groups are now “supportive of the agreement.”

The National Milk Producers Federation and the U.S. Dairy Export Council released a statement Wednesday to thank the Obama administration for addressing “the harmful impact on U.S. dairy exports caused by Canada's continual erection of nontariff trade barriers.”

The two groups stressed that they continue to support TPP, but remain concerned that Canada might not live up to the agreements on dairy trade that were reached in the trade pact.

Agriculture Secretary Tom Vilsack discussed that concern in April in a meeting with his Canadian counterpart, Lawrence MacAulay. The two men also met on the sidelines of the recent G-7 meeting of major industrialized nations in Japan.

Canada agreed in the TPP to open its borders to increased imports of milk, yoghurt, ice cream and cheese but U.S. industry representatives have said repeatedly that Canada might not uphold the terms of the deal.