

EDITORIAL: Trade winds

December 12, 2019

"It is infinitely better than what was initially proposed by the administration. It's a victory for America's workers."

--Nancy Pelosi

And with those words, Nancy Pelosi sent a shiver up the spine of many a free-trader. For when Nancy Pelosi says something is a victory for America's workers, she means unions. So before she can pass this new continent-wide American trade agreement--so she can see what's in it--let's the rest of us make good use of our studies.

The president, for his part, wants to pass this new NAFTA, now apparently called USMCA, now, now, now. If not earlier. He wants a victory--any victory--that he can claim these days, perhaps because of some official hearings going on in Congress that might interest him. One way to take the spotlight off the I-word is to hold a signing ceremony with the leaders of Canada and Mexico and watch the stock market go up again. Which it surely would. For the economy does better when countries trade with minimal hindrances.

But over in the Senate, the majority leader there says he's in no rush to pass the USMCA, more officially known as the United States-Mexico-Canada Agreement. Mitch McConnell, the gentleman from Kentucky, said Tuesday that his chamber wouldn't take up the trade agreement before the first of the year, no matter what Nancy Pelosi's chamber does.

Why not jump at a new free trade agreement?

Maybe because of the word "jump." In the course of his administration, this president has not proven to be in the free trade crowd. Just the opposite. And then you have Nancy Pelosi leading the cheers on this one.

And over in Pennsylvania

That's the good thing about having professional statewide, local, staffed, experienced, edited newspapers still in business. They're of use in times like these.

Pat Toomey is a senator from Pennsylvania, and a longtime supporter of lowering barriers to trade. The papers in his home state--more precisely *The Pittsburgh Post-Gazette*--call him an "ardent supporter" of free trade. And he's not happy with the new agreement with Canada and Mexico.

That paper says Sen. Toomey was briefed by the U.S. trade reps on the USMCA, and Sen. Toomey told reporters "the Trump administration gave away critical provisions in bargaining with House Democrats, who announced their support along with the AFL-CIO Tuesday morning."

"It runs contrary to the principles of a free trade agreement," the senator told his local press. "Many of the changes are counterproductive."

Like what?

The senator says the agreement contains concessions calling for penalties on goods and services "not produced in compliance with collective bargaining agreements."

Well.

"It sure sounds like there could be tariffs or quotas or some kind of penalty imposed on Mexican products if somebody alleges there's a factory not in compliance with collective bargaining," Mr. Toomey told *The Post-Gazette*.

Also, for all its genuine (and accurate) complaints about Chinese fiddling with intellectual property, the administration's trade reps agreed to cut back on protections when it comes to Mexico. The agreement might also force a kind of minimum wage on Mexican workers, driving up prices for Americans. And Pat Toomey mentioned something about losing protections for investors from certain environmental regulations.

Is Pat Toomey right? As a TV man named David Brinkley once said, it's impossible to be objective, so journalists must try to be fair. So try, we shall:

Business leaders and some of the president's supporters say this new agreement, in the least, will remove the uncertainty that's been hovering since all three countries began renegotiating NAFTA. They are right. Folks can start investing, upgrading and hiring where they think best.

And the agreement does show that Washington is not 100 percent broken. Our betters can get things done.

But . . . and there's always a but:

- If trade representatives have been hammering out this stuff in meetings for going on three years now, why rush this through Congress before the Christmas break, as Nancy Pelosi wants to do? Nancy Pelosi doesn't have a good track record when it comes to passing large economy-altering bills without time for study and debate.
- You-know-who lives in the details. For one example, dispatches say a Democratic revision took away a provision that would have allowed biologics drug makers 10 years before generics could enter the market. How are those particular drug companies supposed to recoup their massive R&D costs now? And that's just one example.

- The economy is going gangbusters. Nothing in our reliable Business section gives any reason for urgency with any agreement. Especially one that hasn't been vetted. So why not vet?
- Over the last year *Forbes*, The Cato Institute and *National Review* have raised questions about this new USCMA agreement. We'd like to see tomorrow's PowerPoint by those guys.

Our own paper said Tuesday that there are still a number of procedures that Congress has before it, and a vote on the agreement won't be held unless committee work is "waived to save time." If nobody minds, or even if somebody does, Americans might want to read the agreement first. Before they are bound by it.

This free-trade thing just might have a future. It has a pretty good past. But conservatives can be forgiven for being suspicious when the union bosses in several countries start endorsing deals like this one.

Free trade might be the best assurance of American prosperity in the long run. As long as free trade deals are open, comprehended, balanced

And sincere.