

Anti-Soviet trade sanctions still apply to Russia 40 years later

Robby Soave – September 6, 2012

Russia finally joined the World Trade Organization last month, guaranteeing better trade relations with the rest of the world — but not with the United States.

That's because U.S. Congress has failed to repeal a 40-year-old law, designed to punish the Soviet Union, which still applies to Russia.

A relic of the Cold War, the Jackson-Vanik amendment restricts trade between the U.S. and countries perceived to have restrictive emigration policies.

When the bill became law in 1974, its aim was to punish the Soviet Union for prohibiting Jews and other ethnic minorities from leaving the country.

The president may grant waivers to countries — and has done so with Russia for years — but trade experts say there is no excuse for keeping the law in place at all.

“Congress should have acted months ago to repeal Jackson-Vanik. It's a folly the law is still in force,” wrote Daniel Hanson, a scholar at the American Enterprise Institute, in an email to The Daily Caller News Foundation. “Barring market access through trade barriers, particularly when the rest of the world embraces Russian trade, is counterproductive and denies the benefits of trade both to U.S. citizens and to Russians vying for more freedom.”

Several factors have stalled Jackson-Vanik's repeal. For example, the repeal might give the impression that the U.S. is softening toward Russia's human rights record.

“To a lot of people, it looks like we're doing a nice thing for Russia,” said Bill Watson, a trade policy expert at the Cato Institute, in an interview with TheDC News Foundation.

But according to Watson, the biggest beneficiaries of repealing the law would be U.S. businesses.

“The consequence of granting permanent normal trade relations with Russia is just more exports to Russia,” said Watson. “All it does is open up Russia's market to U.S. exports.”

The repeal of Jackson-Vanik has been tied to passage of a new law, the Magnitsky provision, which would freeze the assets of Russian officials believed to have been responsible for the imprisonment and death of anti-corruption lawyer Sergei Magnitsky.

But the House and Senate versions of the bill differ on whether all such human rights violators should be punished, or just Russians.

Leaders of both parties support the repeal of Jackson-Vanik and Vice President Joe Biden has advocated for its repeal.

The New York Times editorial board [wrote](#) last month that it should be abolished, with or without approval of the Magnitsky provision. And the [2012 Republican Party Platform](#) calls for the adoption of both the Magnitsky provision and normal trade relations with Russia.

According to Hanson, Russia has earned the right to free trade with the U.S. — something already enjoyed by recovering human rights abusers like China, Myanmar and Nigeria.

“Russia has shown it can play nice to get the carrot of free trade benefit, and the rest of the world has embraced this,” wrote Hanson. “It makes no sense that the U.S., who wants to be the world’s free trade leader, would continue to enforce this Cold War relic.”