

## Free Trade Makes A Comeback



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**Commerce: Like crocuses blooming after a harsh winter, polls suddenly show a dramatic rise in support for free trade. This bodes well for an acceleration in the direction the Obama administration is headed.**

Last July, the outlook was absolutely bleak for free trade. As a recession hit in 2008 and imports posted the steepest drop since 1942, the American public looked as if it were hibernating from world engagement. A CNN/Opinion Research Corp. poll then showed 51% of Americans saw foreign trade as an economic "threat." Radical activists and big labor unions, both foes of free trade, couldn't stop crowing.

Things have changed. A CNN/Opinion Research poll conducted April 14-21 found that free-trade deals between the U.S. and other countries are now seen as "a good thing," by a margin of 44-35.

It follows a CBS News/New York Times poll conducted April 1-5 showing a 66% approval of trade with other countries as good for the U.S., rising eight percentage points in just one month. The CNN April polls used a large sample of 3,013 adults.

This is great news for free trade and market openness, because political leaders can't ignore these polls.

Three free-trade treaties with Colombia, Panama and Korea are awaiting approval from Congress. A broader Doha treaty with the World Trade Organization is also looking for a U.S. signal to try again, and our allies like Canada and Europe are actively shopping for new free-trade partners on their own.

President Obama has signaled he wants to get the pending pacts through Congress, and the public is right there behind him. It would be bizarre if Congress resisted.

"It's telling how President Obama has quietly backed away from rash campaign statements on trade," said Dan Griswold, director of the Center for Trade Policy Studies at CATO. "It shows that he understands how pursuing free trade is the right policy for America."

It all comes down to the economy, and the signs of recovery seem to be propelling confidence in trade. Economic indicators are up. The stock market has risen more than 30% since it hit

bottom on March 9. Consumer spending is up. Durable goods spending is up. The yield curve is normal. Battered industries like airlines are recovering. Tuesday, the New York Times reported housing is recovering in earliest-hit areas of the downturn, like Sacramento.

It seems to be giving the public confidence that free trade is a good thing for the country. After all, each free-trade deal puts about \$1,200 in buying power into the pockets of every American family.

A recent CATO Institute study on restoring the consensus on trade noted that from 1983-2007, trade helped to add 46 million jobs to the U.S. economy and to double its GDP to \$14.5 trillion.

But there's no such thing as a free-trade deal without political leadership. Obama has a golden opportunity here to push the current ones forward and move on to more. The new CNN/Opinion Research poll showed the most dramatic improvement in public sentiment on trade coming from Obama's most ardent supporters, including young people, the poor, Blacks, and Democrats.

The highest rise in pro-free-trade sentiment was among blacks, whose opinion of free trade rose an astounding 17 points over 2008, from 30% favorable to 47% favorable. With numbers like these, the Obama administration has been smart to move to its now-friendlier stance on free trade, thereby putting itself in line with the most successful presidencies since WWII.

The administration began its shift in March. At the time, IBD reported a subtle but significant shift in Obama administration sentiment at an Inter-American Development Bank conference in Medellin, Colombia. It became more obvious at the Summit of the Americas in Trinidad in April, where Obama ordered his staff to find a way to get the pending treaty with Colombia through.

It's clear Obama now recognizes that free trade is a major way to push an economy out of recession.

But to get there, experts warn Obama will have to confront special interest groups, like labor, to get the pact through. Griswold notes that he's shown little taste for this so far. He'll have to move fast, some say, while the opportunity's still there.

"The public unfortunately has a fair weather friendship with free trade," noted Andrew Roth, vice president for government affairs at the Club for Growth. "When times are tough, they treat it poorly, and even when times are good, they embrace it only with caution. That's why it's crucial that the president show strong unwavering leadership by promoting free trade's virtues."

With polls on his side, he has the trade winds at his back.



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