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# INVESTOR'S BUSINESS DAILY

## Senate Democrats Stop Obama Trade Push In Its Tracks

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Senate Democrats stopped President Obama's big trade push in its tracks on Tuesday. The party as a bloc shut down debate over granting the administration the leeway to negotiate deals that can get an up-or-down vote without amendment. That leaves in limbo the Trans-Pacific Partnership, encompassing 40% of the global [economy](#) and a top White House priority.

With 60 senators needed to advance trade promotion authority — also called fast-track — toward a final vote, the measure failed, 52-45. The TPA bill is stuck, not dead, but its prognosis is iffy.

The move shows the Democratic party's deep distrust of trade. It also reflects Obama's poor relations with Congress, even with Democratic lawmakers. And it raises a headache for Hillary Clinton as she seeks the presidential nomination.

The rejection still came as something of a surprise, as a group of Democrats had backed fast-track authority in committee.

But on Tuesday, that group led by Oregon Sen. Ron Wyden, top Democrat on the finance panel, delivered an ultimatum: Their support wouldn't come unless a side bill is married to the TPA that would slap punitive duties on imports of countries found to be manipulating their currencies — a decade-long goal of liberals, and some populist Republicans.

When Senate Finance OK'd TPA in April, a currency enforcement measure from Charles Schumer, D-N.Y., was among three other trade bills passed. The provision directs the Commerce Department to treat undervalued currencies as an unfair subsidy and to impose duties to offset the trade advantage.

Senate Finance Committee Chairman Orrin Hatch said that he and Wyden had agreed only that the currency measure could be offered as an amendment to trade promotion authority. The problem: It "would not be acceptable in the House," Hatch said.

House passage of trade promotion authority already has been seen as a tougher fight because several conservative lawmakers are determined not to give the White House any extra authority.

For now, Senate Majority Leader Mitch McConnell has refused to bow to Democrats' demand to package the trade bills together.

Daniel Ikenson, Cato Institute director of trade policy studies, opposes the Schumer provision, but believes it's a price worth paying to approve the Trans-Pacific Partnership.

It could take two years for Commerce to figure the subsidy size from a manipulated currency and formulate a remedy. And China might challenge the Schumer provision before the World Trade Organization, Ikenson said, predicting that it "wouldn't pass muster at the WTO."

Ikenson thinks that Obama "waited too long" to build support for trade among Democrats.

After running as a trade skeptic vowing to rewrite Nafta, Obama has given a mixed message in office. While signing a few smaller trade deals negotiated by President Bush, Obama has touted tax changes to keep U.S. companies from shifting work overseas.

In recent days, Obama has taken on Massachusetts Sen. Elizabeth Warren and other anti-trade liberals for making "arguments (that) are based on fear."

Even with his own provision, Schumer said he would oppose fast-track. It seems that the Democratic base feels the same way.

So Hillary Clinton may still face a hard choice: Oppose the Trans-Pacific Partnership that her State Department helped negotiate, or alienate progressives.