



## Politics to Kill Trade Deal

August 31, 2016

Two presidential candidates oppose it. So does much of the American public. But President Barack Obama, having staked much of his foreign policy credibility on a “pivot to Asia,” shows all the signs of wanting to push a major trade deal through Congress after the November elections.

It may be quixotic; it will certainly be contentious. It may tear apart Democrats one more time over the issue of how much globalization is too much, while also testing the appetite of Republicans for splitting their own party now that Donald Trump has laid bare how much the rank-and-file loathe trade agreements.

The Obama administration completed negotiations on the 12-nation Trans-Pacific Partnership nearly a year ago. Since then it has languished amid Republican quibbling with parts of the agreement and a presidential campaign season that has seen Trump and Hillary Clinton rail against it.

House Speaker Paul Ryan, a Wisconsin Republican, and Senate Majority Leader Mitch McConnell, a Kentucky Republican, have both demurred on the TPP, with McConnell going so far as to say there will be no vote this year. But the fog of election-year politics may be obscuring an impending fight during the lame-duck Congress.

“It’s impossible to tell before the election because nobody has any incentive to say anything other than whatever they’ve been saying,” said Bill Reinsch, a longtime business lobbyist and now a fellow at the Stimson Center. “After the election there will be a vote count, more people will answer honestly, and based on that they’ll either go forward or decide there’s not enough time.”

On the plus side for Obama, he’s managed to keep a small number of Democrats in the House, where trade battles are fought vote-by-vote, from following Clinton into opposition to the TPP, and helped defend them in primaries on Tuesday. Obama would also be following several

examples of trade deals coming to fruition under presidents on their way out or at the nadir of their power. And crucially, unlike most areas of policy, Obama can directly control the congressional schedule.

Signs emerged this week that the issue may not be as politically perilous for Democrats as it appears.

Candidates who voted to grant Obama the authority to submit trade deals he's negotiated to Congress for a quick up-or-down vote last year — “fast-track” authority — breezed through their primaries this week. The crop included Debbie Wasserman-Schultz in Florida, Ami Bera in California and Ron Kind in Wisconsin. Other challenges that activist groups and organized labor predicted never materialized.

Also, Obama went out of his way in the last year to assist the 28 House Democrats who supported him in his bid for fast-track authority. A few jaunts on Air Force One, some fundraisers and assistance on veterans issues in key districts have helped keep those Democrats from digging in opposed to TPP even as Clinton and Trump agree on the matter.

“I think Obama will do anything he needs to do to get TPP in the lame duck,” said Edward Alden, a fellow with the Council on Foreign Relations. “He has been out front and forceful.”

### **TPP – Not Letting Guard Down**

If the past is any guide, opponents should be wary of the notion that they have definitively killed anything.

Bill Clinton won approval of the agreements creating the World Trade Organization in late 1994, after suffering a crushing defeat at the hands of Republicans in mid-term elections. He also pushed through a landmark trade deal with China in the summer of 2000.

And, trade agreements refuse to die. They might lie around for a while when negotiators fiddle with the details or politicians round up support. But the last decade is littered with examples of controversial deals with Central America, Colombia, and Peru that eventually passed.

Obama's advocacy has been one reason why opponents of the agreement have been trying to lock down as many commitments against the deal before the November elections. Nothing's a sure thing, but a public promise weeks before voters go to the polls doesn't hurt their cause either.

“We are not letting our guard down,” said Ilana Solomon, director of the Responsible Trade Program at Sierra Club, the environmental group. “We know that the administration is preparing

to send the agreement to Congress, even if we don't know whether they actually do it.” As the chief advocate for TPP, a free-trade pact that would cover about 40 percent of global output, Obama has a vital advantage that his opponents do not: control of the schedule. Before it was completed, Congress agreed to the fast-track procedure, and in mid-August, Obama gave the legal notification that he could seek a vote on the legislation that writes the deal into U.S. law by the end of the year.

## **Damn the Torpedoes**

“Then there is a chance the admin just says, ‘Damn the torpedoes!’ and submits the implementing legislation,” said Scott Lincicome, a trade attorney with White & Case and an adjunct at the Cato Institute.

Obama took other steps to protect the TPP from election-year politics. He prevented a floor fight on the subject at the Democratic convention. And his allies headed off an effort to steer the Democratic platform against the trade deal.

But the transformed political environment of the 2016 election weighs against a vote in the lame-duck Congress on both sides of the aisle.

As he mounted a credible, though ultimately unsuccessful bid for the Democratic nomination, Sen. Bernie Sanders, the Vermont Independent, pushed Clinton to oppose an agreement she once supported as secretary of state. His supporters were careful to extract commitments that she would oppose it during the lame-duck period, though it's not clear what she would do to stop it as president-elect.

“I will stop any trade deal that kills jobs or holds down wages, including the Trans-Pacific Partnership,” Clinton said, in her most definitive statement on the subject. “I oppose it now. I'll oppose it after the election. And I'll oppose it as president.”

The post-candidacy Sanders organization, known as Our Revolution, has made defeat of the TPP a top priority.

## **Republican Challenges**

On the Republican side, Speaker Ryan — an ardent free-trader — would have to deal with the defection of at least 10 Republicans who voted to authorize the fast-track procedure last year. Since it only passed by 218 to 208, Ryan is theoretically short votes, though he may have had other members who promised their votes if needed.

The fate of Donald Trump in November may then become the fate of those votes. A devastating defeat at the hands of Clinton could embolden Republicans to return to free-trade orthodoxy.

“If Trump does moderately well,” said Gary Hufbauer, a trade policy expert at the Peterson Institute for International Economics, “it’s going to be very difficult for Ryan to get the votes back.”