

Anexo 10. Reportaje-entrevista del Wall Street Journal.

“Shaping the New Agenda (A Special Report); Trade: What Exactly Is A Free Trader, Anyway?”

Trade runs like a fault line through the presidential election. On one side is Republican John McCain, who has said he is a deep-in-his-bones free trader, who made his first overseas trips of the campaign to Canada and Mexico, the U.S partners in the North American Free Trade Agreement. He backs the three bilateral trade pacts that the Bush administration has already negotiated but that haven't passed Congress: with Colombia, Panama and South Korea.

Barack Obama also calls himself a free trader, but he mixes in a lot more skepticism about the downsides of trade liberalization. He has said he would renegotiate Nafta and is opposed to the pending trade deals with Colombia, Panama and South Korea that Sen. McCain embraces. Sen. Obama says he wants to make sure that ordinary workers benefit from new trade deals.

The Wall Street Journal's Bob Davis posed questions to experienced trade hands representing the candidates. On the Democratic side was Daniel Tarullo, a Georgetown law professor and former top Clinton White House international-economics official. On the Republican side: Philip Levy, a scholar at the American Enterprise Institute, and a former a member of the Bush administration's Council of Economic Advisers, who focused on trade.

Here are excerpts of their exchanges, which were posted online recently, followed by a selection of reader comments. You can see the entire debate -- and join in -- at WSJ.com/Reports.

WSJ: Sen. Obama has said he would renegotiate Nafta. For the Obama camp: What specifically would you like changed? Are you concerned that the talks will worsen relations with America's two neighbors? For the McCain camp: Nafta took effect 14 years ago. What parts aren't working well? Would you look to remake parts of the pact?

MR. TARULLO: Sen. Obama supports adding binding labor and environmental standards to Nafta. As he has said on numerous occasions, he would work with the governments of Canada and Mexico to achieve this objective. These provisions will benefit workers and the environment in all three North American countries by ensuring that workers are not mistreated, and the environment not despoiled, by firms seeking a trade advantage. As demonstrated by experience with the changes made in the Peru trade agreement, the inclusion of basic labor and environmental standards is eminently feasible.

There is also a broader cooperative agenda that the three countries should pursue in the economic area, including such matters as energy management. As he explained in his speech setting forth his plan for renewing U.S. leadership in the Americas, Sen. Obama is committed to policies that will promote opportunity and bottom-up growth with equity.

MR. LEVY: The two biggest problems with Nafta are: (a) some provisions do not match with more recent agreements, unnecessarily complicating trade; and (b) there is work yet to be done on

addressing mutual concerns about security and the ease with which trade flows across the borders.

Despite these concerns, in 2007, Canada and Mexico were the top two export markets for the U.S., together receiving more than 30% of U.S. goods exports. The two countries provided over 25% of U.S. goods imports. Altogether there was over \$900 billion of goods trade, along with additional trade in services. These figures are testimony to the overall U.S. interest in Nafta -- to gain U.S. access to the Mexican market and provide support for Mexican economic and political reforms. Mexico has lowered tariff barriers far more than the U.S. and has made great strides in both its democracy and its economic stability.

Going forward, the U.S., Canada, and Mexico can build on Nafta -- perhaps even in as large a multilateral context as that proposed by President Clinton's Free Trade Area of the Americas -- to achieve needed harmonization, while continuing on a bilateral basis to address border security.

We have heard Sen. Obama say on numerous occasions that he would use the hammer of withdrawal to force a renegotiation of Nafta. Has this stance changed? In exchange for these binding labor and environmental standards, what is Sen. Obama willing to offer Canada and Mexico? Will he accept diminished market access for U.S. farmers? Will he endanger U.S. access to Canadian energy? Will he accept Mexican requests on immigration? Does Sen. Obama really believe that Canada and Mexico, with an agreement in hand, will be as pliant as Peru? That seems inconsistent with their public statements.

And to what end? Does the Obama campaign have any estimate of the benefits of these new standards? If not, on what grounds is Sen. Obama threatening a pillar of our economy and our relations with our closest neighbors?

MR. TARULLO: What the McCain campaign has heard, if it's been listening, is a consistent position from Sen. Obama. He believes that the addition to Nafta of binding labor and environmental provisions is good for workers and the environment in all three countries. This is an effort not to gain commercial advantage, but to support good labor and environmental practices related to trade among our countries. He has expressed confidence that he will be able to work with the other two countries in pursuit of this end. The aversion of the McCain campaign to labor and environmental standards appears to have blinded them to the political support such standards command among citizens of other countries.

MR. LEVY: Not only have we been listening, but so have the Canadians and the Mexicans. Here are some of their responses, quoting from a story in the New York Sun in February, when Sen. Obama began his attack on Nafta.

The Mexican ambassador to the U.S., Arturo Sarukhan, wrote: "Mexico does not support reopening Nafta. It would be like throwing a monkey wrench into the engine of North American competitiveness."

Canada's trade minister, David Emerson, was quoted as saying: "If you reopen Nafta, you reopen it for all three parties. If Nafta were reopened, we would have our list of priorities." He went on to hint that these could include a reduction in Canada's natural gas and oil exports to America.

This hardly seems like a promising start for renewing U.S. leadership in the Americas.

WSJ: What parts of your opponent's trade policy do you think are most harmful? What would you urge your opponent to change?

MR. LEVY: The single most harmful aspect of Sen. Obama's trade policy has been his willingness to renege on American commitments to trading partners. His calls to renegotiate trade agreements not only diminish the value of those agreements, but threaten to paint the U.S. as an unreliable partner.

A substantial part of the value of trade agreements comes from their ability to spur investment. Since investments can take time to pay off, investors are relying upon governments not to be fickle. Broad statements about seeking renegotiation will shake that trust.

When the U.S. Congress passed Trade Promotion Authority in 2002, it was a commitment to our trading partners that if they negotiated with the U.S. in good faith and completed those negotiations in a timely manner, the agreements would be brought to a vote. Colombia did just that. It negotiated in good faith. It instituted highly effective programs to reduce violence. It was willing to revise labor and environmental provisions to meet the demands of the new Congressional Democratic leadership in 2007.

And yet Sen. Obama opposes the agreement and the Democratic Congressional leadership has disavowed the promises the earlier Congress made. This callous treatment of the rest of the world can have repercussions far beyond trade.

I would urge Sen. Obama to support the pending free-trade agreements. The United States' market is already open. Vital allies like Colombia and South Korea have offered to open their markets to the U.S., often at great political risk. To dismiss these partners without even the courtesy of a vote would do great damage to America's standing in these regions and the world.

MR. TARULLO: Sen. McCain's trade policies exhibit errors of both commission and omission. On the one hand, Sen. McCain appears to support reflexively any trade agreement that the Bush administration negotiates, regardless of whether it achieves sufficient benefits for U.S. interests and shares those benefits broadly among Americans.

For example, Sen. McCain supports the free-trade agreement with the Republic of Korea, notwithstanding the failure of the Bush administration to negotiate effective market access for autos and other U.S. manufactured exports. The history of non-tariff barriers in Korea, particularly but not only against automobiles, shows why partially addressing a few of the current barriers will not solve the problem -- different barriers will probably be erected in their place. Since the FTA gives Korean auto exports essentially untrammelled access to the U.S. market, ratification of the agreement in its present form would mean the U.S. would lose its remaining leverage to counteract these non-tariff barriers. The result will be a competitive handicap for one of our most important industries.

On the other hand, Sen. McCain is strangely silent on the issue of China's exchange rate practices. And yet, by any reasonable measure, these practices are a major contributor to the global imbalances that negatively affect U.S. trade interests. Similarly, he has little to say about

protecting the interests of workers and the environment in trade agreements, assuring that U.S. trade laws are enforced, and protecting the rights gained by the U.S. in prior trade negotiations.

The differences between the two candidates on trade are many. But one way to sum up those differences is that Sen. McCain's policies do not take account of what has changed in America and the world. He supports trade agreements simply because they are trade agreements. Sen. Obama, on the other hand, wants to know what is in those agreements. In trade, as on other economic issues, Sen. Obama has embraced policies that address the needs of Americans and the circumstances of the country as they stand today.

Sen. Obama believes that trade agreements should promote American interests. This is the criterion he applies in deciding whether to support agreements negotiated by the administration. He has evaluated the pending agreements and concluded that the Korea agreement did not achieve sufficient market access for U.S. goods and that the Colombia agreement should not be voted on at a time when union organizers are still being killed for exercising the very rights that the labor provisions of that agreement grant to them. As president, he will consult with members of Congress in both parties to determine how best to move forward on these and other trade matters.

Lastly, it is apparently Phil's position that, once the U.S. enters an international agreement, it has made a commitment never to seek changes in the agreement. That is an interesting position -- one that most Americans, including many members of Phil's own party, surely do not share.

MR. LEVY: I am particularly intrigued by Sen. Obama's conclusion that the Korean FTA did not push the Koreans hard enough. Is he unaware of the rioting in the streets and the fall of the Korean cabinet that accompanied Korea's recent opening to American beef as part of that agreement? Does that not suggest the Korean government went as far as it could? And if, as Dan argues, agreements can and should be regularly revisited, what is the harm in passing the Korean agreement now and then going further later?

In Colombia, thanks to measures by the Uribe administration, it is now statistically safer to be a union leader than to be an average citizen. Colombia has adopted the same labor and environmental rules as in the Peru FTA, an agreement Sen. Obama supported.

Either Sen. Obama is oblivious to the situation in these vital countries or he is deliberately setting standards so as to make any deal impossible. As Dan well knows, the consultations on these agreements have been extensive, both with members of Congress and with public advisory groups. At some point talk has to come to an end and the U.S. must act.

MR. TARULLO: Playing statistical games with the risk that comes from trying to organize workers in Colombia diminishes the real risk of death organizers face. The risk is real, the coercive effect great.

On consultation, Phil must not talk to Democrats in the Congress. The administration's practice has generally been to inform Congress what it has done in trade negotiations, rather than to seek a bipartisan consensus. A successful and sustainable U.S. trade policy will require genuine, not pro forma, cooperation between the administration and Congress.

WSJ: We asked the advisers what they wanted to ask their counterparts. Here's what they came up with.

THE OBAMA CAMPAIGN'S QUESTION: Do John McCain's trade policies differ from those of President Bush in any significant way?

MR. LEVY: There are some important differences between John McCain's policies and those of President Bush. John McCain has opposed large farm subsidies in the last two farm bills. He has proposed the elimination of all tariffs on agriculture and food products to help struggling American families facing high food prices. He has proposed dropping tariffs on Brazilian sugar ethanol to help Americans cope with soaring energy costs.

Most of all, though, John McCain is committed to helping displaced workers in a way that neither the Bush nor the Clinton administration have done. He would do this not through ineffectual labor stipulations in trade agreements but by creating a new program for adjustment and retraining, one that would help all displaced workers, not just those displaced by trade. Because training is often inefficient for older workers, qualifying workers 55 years of age and older could receive a wage supplement of up to 50 percent of their lost earnings for a time as a reward for finding new work quickly. This would better equip Americans to compete in the dynamic modern economy.

THE McCAIN CAMPAIGN'S QUESTION: A key issue in the World Trade Organization talks has been the level of farm subsidies. Sen. Obama, along with the Bush administration, supported the recent farm bill that provides those subsidies, even to large farmers, at great expense to American taxpayers. There is every reason to think that agriculture will be a key to reviving the WTO talks. Would Sen. Obama be willing to reverse his stance to save the WTO?

MR. TARULLO: As a matter of negotiating strategy to advance American interests, it would be self-defeating to indicate to the rest of the world what positions an Obama administration might or might not take should serious negotiations eventually resume.

THE READERS WEIGH IN

McCain is a trade pacifist and Obama is a trade protectionist. What we need is a trade warrior.

Given the complexity and importance of the issue, would it be possible to get some analysis from REAL experts, as opposed to press releases from the campaigns?

Why isn't anyone saying what the farm lobby's role in all this [is]? Because the farm lobby has bought up enough senators and congressmen to look the other way! Why don't we look at what we are importing and what we are exporting and look at any trade imbalances and address them.

Neither candidate is saying much about this because only certain states that lost jobs to imports care about this issue.

The real purpose of globalization is to allow corporations to lower their costs so that CEOs can make even more money.

Reciprocal trade that creates American jobs is an afterthought. China and India are laughing at us for actually wanting them to open their markets to our goods. Our trade deficit is evidence of that. It's a mug's game.

Crawl, stand, walk, run. Sectoral agreements are a good way to segue into a global trade agreement. Unlike both advisers, I am skeptical of any global deal. It will be much harder to accomplish when you consider different and opposing cultures and traditions, etc.

Could Tarullo's answer be any more empty? Just like his candidate, rhetoric without meaning. Am I the only one terrified of these ridiculous economic proposals coming out of the Obama camp?

I would like to know what Senator Obama's position was on the Kyoto Treaty and whether his position that trade agreements should promote American interests also applies to environmental agreements such as Kyoto, which was widely acknowledged to harm the economic interests of the U.S. by imposing much stricter requirements relative to many emerging industrial nations that also pollute heavily.

What i don't understand is what is the ideal agreement for U.S. interests? Is it super high tariffs on U.S. imports and no tariffs on U.S. exports? Is this the position Obama would be negotiating toward? A position that picks producers (less than 100% of the population) over consumers (100% of the population).

Your question regarding producers versus consumers is a good one. U.S. consumers already have a pretty good deal with little added cost to their favorite imported goods. Since consumers are also producers (i.e. they work for GM, Ford, GE, IBM . . .) they also need open export markets to send trade back the other way.

If you follow the Democrats' protectionist logic, raising barriers to imports hurts the consumers and will prompt a similar foreign response against the very producers they were supposed to help.

Levy needs to be more specific. What provisions is he talking about that unnecessarily complicate trade and how does McCain propose to address these? Reading these comments, one must wonder just how versed are Tarullo and Levy in trade and economic matters. The two arguments are almost cancelling each other out, except one brings up attaching additional standards such as labor and environmental which may be disastrous, and the other attaches security issues which may inhibit trade more, but is a much more valid concern.

It reminds me that this election is more about youth (Obama) versus experience (McCain).

Tarullo says, "Senator Obama, on the other hand, wants to know what is in those agreements." Shouldn't Obama already know this since he is running for President? As a U.S. Senator, he is the one who votes on these trade agreements.

Tarullo also writes, "Senator Obama has embraced policies that address the needs of Americans and the circumstances of the country as they stand today." Like what policies, specifically? All I read in the argument was "McCain-Bush, Bush-McCain." That's not an answer. In Tarullo's rebuttal, does Obama even know what our interests are? If so, he doesn't seem to name any. Dan launches into what Bush did and not what Obama would actually do. We still have no clue. We get the impression that McCain will press free trade that results in lower tariffs and trade barriers and greater access for American goods. Obama would take existing trade agreements and make it harder for our trading allies to gain access to American goods. This would reduce competition and may spur inflation if foreign goods are taken off the market due to Obama's labor and environmental restrictions on free trade.

Opposing Bush on farm subsidies would suggest that McCain does not simply agree with Bush's trade policies. However, since Tarullo thinks that it's self-defeating to let the voters know what positions the Obama administration might take, so that leaves us with little to go on.

Well covered in the above posts. As a point of trivia, it is interesting to note from the bios that Levy is a trained economist who has been an economist all his life. Tarullo is a lawyer with no clear training in business disciplines, but has worked on economic policy for the Clinton administration. That may be why Levy's answers, though not really satisfactory and more generic, provide more punch and are more issue-specific than Tarullo's answers which seem mostly political and designed to dodge the question by linking McCain to Bush. Not a real big fan of McCain, but McCain does have a history that cannot be ignored of moderation and being his own voice whether or not I agreed with his stances. But Obama's votes have been completely partisan in his short career in the Senate with no history of crossing the aisle, ever.

Just as an addendum -- the importance of being educated in business is that you are really BOTH a macroeconomist AND a microeconomist. You understand that what and how government operates has an effect on business. This is different from assuming a political position engaged primarily in the macroeconomy with economic training. You think only in terms of what the government can raise and how to spend the money with no real appreciation for prices and consumer behavior in the macroeconomy.

Fuente: Wall Street Journal, N.Y., publicado el 25 de agosto de 2008, en:
<http://proquest.umi.com/pqdweb?did=1540301121&sid=7&Fmt=3&clientId=66913&RQT=309&VName=PQD>, revisado el 5 de noviembre de 2009.