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By GERALD F. SEIB



Push for Free Trade In These Times? Bush Answers Yes

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These are the times that try a free-trader's soul.

It is an election year, and the trade deficit is way up. The U.S. imported \$55.8 billion more in goods and services than it exported in June. Loss of jobs has become the economic issue, and the outsourcing of jobs abroad the metaphor for it.


Amidst all of that, Robert Zoellick is doing something intriguing, almost shocking: He is pushing free trade as hard as ever. More interesting, his boss, President Bush, who is busy running for re-election, is backing him all the way.

Mr. Zoellick is the Bush administration's trade representative, and his continued pursuit of free trade amid all the political pressure to move in the opposite direction is one of the more surprising and little-noticed stories of the election year. Mr. Zoellick says the administration is "confounding conventional wisdom," and he is right.

In recent weeks, the administration has signed a deal to add the Dominican Republic to five Central American nations already part of a free-trade agreement, signed a separate free-trade deal with Australia, pushed a trade agreement with Morocco through Congress and revived moribund talks on a new global deal to lower trade barriers. In fact, the administration has finished free-trade agreements with nine countries in the last eight months.

Far from buckling to populist protectionist impulses in the campaign season, the administration actually seems to be getting more committed to free trade as the re-election test approaches. This is a matter of core beliefs -- but it also may be the result of the administration's own somewhat painful experiences.

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ABOUT GERALD SEIB

Gerald Seib is the Washington bureau chief of The Wall Street Journal. He also writes the paper's "Capital Journal" column on a periodic basis and continues as a regular commentator on Washington affairs for CNBC, cable television.

Before assuming his current position in March 2002, Mr. Seib had been the Journal's deputy bureau chief in Washington since September 1997. He had written the weekly "Capital Journal" column, appearing on the Journal's Politics & Policy page since the spring of 1993 and had responsibility for The Wall Street Journal/NBC News Polls.

Mr. Seib joined the Dallas bureau of the Journal as a reporter in 1978. He transferred to the Journal's Washington bureau in 1980 and covered the Pentagon and the State Department. In 1985, he and his wife, Journal reporter Barbara Rosewicz, were transferred to Cairo to cover the Middle East. They returned to the Washington bureau in 1987 where he has covered the White House and reported on diplomacy and foreign policy. In December 1992, he became a news editor responsible for the Journal's national political coverage from Washington and around the country.

In 1988, Mr. Seib won the Merriman Smith award, which honors

The Bush team dallied with protectionism early on, when it imposed temporary tariffs on imported steel. That was a fairly obvious attempt to please the steel industry and the politically important swing states of Pennsylvania and West Virginia, as well as a bid to buy political support for trade-liberalization in other areas. While the tariffs did win some time for the domestic steel industry to regroup and reorganize, manufacturers in other politically sensitive swing states saw the cost of their steel go up, and they weren't happy.

Now Mr. Bush seems to have moved past that experience, and he delivers a hearty defense of free trade. On one trip to Ohio -- the ultimate swing state -- he lauded the way open trade has brought more than 900 foreign facilities to the state, and more than 16,000 jobs building Hondas alone.

"When politicians in Washington attack trade for political reasons, they don't mention these workers, or the 6.4 million other Americans who draw their paychecks from foreign companies," he declared. "Across America, from Marysville, Ohio, to Seattle, Washington, workers are better off -- better off -- because this country is an optimistic, successful trading nation."

For his part, Mr. Zoellick also sounds like a man itching to make the case for free trade as a political winner, even in a climate of trembling over jobs lost abroad. He rattles off statistics to back his case: More than 12 million Americans with jobs supported by exports, with pay that runs perhaps 18% above average. One in five manufacturing jobs dependent on exports. One in three acres of crops planted for exports. A quarter of economic growth in the 1990s from exports.

Offsetting those numbers, of course, is the uncomfortable reality that, despite the free-trade leanings of this administration and the Clinton one before it, the country has lost 1.1 million jobs since 2001. If trade creates jobs, why are the job numbers going down?

Mr. Zoellick has a ready answer for that as well. The big reason the U.S. is running a manufacturing trade deficit, he argues, isn't that it is buying more from abroad, but that it isn't exporting enough goods overseas. That problem is rooted in the fact that barriers to trade abroad tend to be much higher than U.S. barriers.

So free-trade agreements, by definition, should benefit the U.S. more than the other guys: The other side eliminates barriers that are higher to start with, while the U.S. eliminates barriers that are lower. The bigger bang should go to American exports. "The benefit of a free-trade negotiation is that we're leveling the playing field -- to zero," says Mr. Zoellick.

So in theory, at least, free trade is a win-win for the U.S. -- provided, the other side lives up to its deal. Which the administration, of course, pledges it will ensure. That is at least a coherent economic message at a time when the Bush team is straining for one, and has the added benefit of being one the president firmly believes. Expect to hear more of it next week at the Republican national convention, and beyond.

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coverage of the presidency under deadline, and the Aldo Beckman award for coverage of the White House and the presidency, and in 1990, he received the Gerald R. Ford Foundation prize for distinguished reporting on the presidency. In 1992, the Georgetown University Institute of Diplomacy awarded him the Weintal Prize for his coverage of the Gulf War. He received honorable mention in the Edwin Hood Prize for diplomatic reporting from the National Press Club in 1998.

Mr. Seib earned a bachelor's degree in journalism from the University of Kansas. He and his wife have three sons and live in Washington, D.C.

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