



This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your

colleagues, clients or customers [here](#) or use the "Reprints" tool that appears next to any article. Visit www.nytreprints.com for

samples and additional information. [Order a reprint of this article now.](#)

November 12, 2010

Throwing Free Trade Overboard

By ROBERT E. LIGHTHIZER

Washington

DESPITE his failure to conclude a trade deal with South Korea this week, President Obama has put free trade at the top of his agenda. That's in part because the White House and the newly empowered Republican leadership see it as one of the few places where they can work together.

But those expectations could be upset by an unexpected force: the Tea Party. Strangely, for a movement named after an 18th-century protest against import levies, Tea Partiers are largely skeptical about free trade's benefits — **according to a recent poll** by NBC and The Wall Street Journal, 61 percent of Tea Party sympathizers believe it has hurt the United States.

The movement has already forced the Republicans to alter their agenda in several policy areas. Should the same thing happen with free trade, America's stance toward open markets and globalization could shift drastically.

At first glance, the Tea Party's position may seem contradictory: its small-government, pro-business views usually go hand in hand with free trade. But if you consider the dominant themes underlying its agenda, it makes sense that the movement would be wary about free-trade policies. For starters, Tea Partiers are frustrated with Washington, and that includes its failure to make free trade work for

America. Our trade deficit in manufactured goods was about \$4.3 trillion during the last decade, and the country lost some 5.6 million manufacturing jobs.

And while the Tea Party supports market outcomes, its members appear to believe that the rest of the world is stacking the free-trade deck against us. They have a point: most policymakers agree that the Chinese currency is grossly and deliberately undervalued, that China fails to respect intellectual property rights and that it uses government subsidies to protect its own manufacturing base.

Meanwhile, the movement says, the United States does virtually nothing in response.

The Republican establishment will argue that its trade agenda is consistent with Tea Party ideals, that its goal is to get government out of the way and allow American companies to thrive in competitive markets.

But Tea Partiers will ask, what good does it do to reduce the role of our government if foreign governments are free to rig the rules, attack American industries and take American jobs? As a result, the otherwise pro-market Tea Party may find its economic program far more at home with a nationalist trade policy that confronts foreign abuses and fights for American companies.

Tea Partiers also have an instinctive aversion to deficits, and they are undoubtedly concerned that our enormous trade imbalances — which require us to sell hundreds of billions of dollars in assets each year — will leave our children dependent on foreign decision makers. Indeed, the value of foreign investments in the United States now **exceeds the value of American investments abroad by \$2.74 trillion**, and China alone has roughly \$2.5 trillion in foreign currency reserves, primarily dollars.

Deficits, moreover, aren't just a statistic; they raise serious concerns about America's global leadership role. The Tea Party will demand to know why, if our trade policy is so successful, so many experts believe that the 21st century will belong to China, not the United States.

And the Republican establishment will have to deal with the fact that Tea Party heroes like Alexander Hamilton, Theodore Roosevelt and Ronald Reagan had no problem restricting imports to promote our

national interest. Given the Tea Party's desire to restore America's greatness, it will push Washington to stand up to China and re-establish American pre-eminence, even at the cost of the country's free-trade record.

Finally, trade is an issue where Tea Party concerns about "elites" thwarting the will of the voters will resonate.

In this case, the elites include both Democrats and Republicans. You would need a high-powered microscope to tell the difference between Bill Clinton and George W. Bush on the subject of trade. Even during this slow economic recovery, Mr. Obama is pushing for a new market-opening round of talks at the World Trade Organization.

Among Republicans, not one major elected figure expresses the skepticism toward free trade held by over three-fifths of Tea Partyers. In the face of soaring trade deficits and talk of American decline, the Tea Party may ask whether this is yet another area where the establishment has simply gotten it wrong.

In short, the apparent contradiction between the Tea Party's fiscal conservatism and its skepticism about free trade may not be a contradiction at all. If the Tea Party continues to influence the Republican agenda, it may not only spell bad news for the South Korea free trade agreement — it could also mean a fundamental reorientation of our country's attitude toward trade and globalization.

Robert E. Lighthizer, a lawyer, was a deputy trade representative in the Reagan administration.



More in Opinion (1 of 23 articles)

OPEN

Contributing Columnist: Safer Social Security

[Read More »](#)

