

# CPATH ♦ Center for Policy Analysis on Trade and Health

*Bringing a Public Health Voice to Trade and Sustainable Development*

On 12/23/07, a New York Times editorial misleadingly linked current trade agreements, trade itself, and prosperity, warned against “protectionist” opposition, and recommended safety net measures such as expanded health care. CPATH and other responses, published on Dec. 27, appear below, followed by the original editorial:

## Letters: The Drawbacks of Free Trade Pacts

Published: December 27, 2007

To the Editor:

Current trade agreements preclude and sometimes reverse the very safety net you propose to ameliorate their damage, as new Congressional leaders recognize. Trade pacts undermine access to affordable medicines and offer new levers of power to the drug, tobacco, alcohol, health care and processed food industries. These industries dominate United States federal trade advisory committees and influence trade policy to promote the bottom line over health.

The public, the candidates and The Times are right to call for affordable health care. We also need a new, sustainable trade model that does not destabilize public health benefits where they exist or are emerging among our trading partners. These are the genuine keys to prosperity.

Ellen R. Shaffer

San Francisco, Dec. 23, 2007

*The writer is co-director of the Center for Policy Analysis on Trade and Health.*

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In “Trade and Prosperity” (editorial, Dec. 23), you equate opposition to trade agreements like Nafta with protectionism. While there are protectionists among the opponents of so-called free trade agreements, most opposition is based on the fact that

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these agreements have little to do with the exchange of goods and much more to do with empowering corporations to override national laws protecting workers and the environment in other countries.

Agreements like Nafta and Cafta extend patents well beyond the provisions set out in United States law, inhibiting the ability of other countries to combat public health crises such as AIDS. These are the reasons that there is such widespread opposition to free trade agreements not just in the United States, but also in countries with which such agreements are promulgated.

Tony Avirgan

Silver Spring, Md., Dec. 23, 2007

*The writer is global policy organizer at the Economic Policy Institute.*

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To the Editor:

We hear it so often it must be true: free trade is good for us all. But your editorial, as almost everyone does, presents us with theory, not facts.

How can it be good for workers to be subjected to competition from low-wage countries? How can it be good for manufacturers to be subjected to competition from countries that don't ask employers to pay for their employees' health care? How can it be good for any of us to eat food, wear clothes and play with toys that could never pass an American government inspection?

Is it free trade that's made us so prosperous, or is it our ability, so far, to pay for many of our imports with IOUs?

David Raines

Lunenburg, Mass., Dec. 23, 2007

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To the Editor:

Your editorial implies that universal health care and education and job training are “social safety nets.” A more fitting description in an era of high productivity and economic globalization would be “rungs on the prosperity ladder.”

As you have pointed out, workers have not benefited from trade (except maybe as shoppers). But owners and C.E.O.'s have. This should lead to a trade policy everyone could get behind. In exchange for government regulations that encourage the growth in free trade and maintain historically low taxes, big business could pay for universal health care and improved public education and job training.

No matter which party wins the presidency, having a work force in America that is healthy, educated, rested and happy is good for all.

James Forbes

San Francisco, Dec. 23, 2007

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To the Editor:

Your editorial concludes, “All the Democratic candidates agree that trade agreements should be amended to attach provisions about minimum labor standards. These changes would do virtually nothing to protect American workers from the disruptions wrought by trade, technology and other economic forces. A protectionist agenda would hurt them.”

Maybe so, but it would certainly help the millions of workers who suffer the effects of exploitive labor conditions. That should count for something.

Irving Feiner

Nyack, N.Y., Dec. 23, 2007

## **EDITORIAL**

### **Trade and Prosperity**

Published: December 23, 2007

With most polls showing that voters believe trade with other countries is hurting the American economy, it is not surprising that there has been a lot of posturing about the perils of trade on the campaign trail.

Democrats have been most tempted by the protectionism. John Edwards likes to talk about how trade agreements like Nafta “have hurt workers and families while helping corporate insiders.” Senator Hillary Clinton has suggested that the economic theories underpinning the cause for free trade no longer hold, and has said she would review all of the United States’ trade agreements.

Even Republican candidates — normally staunch supporters of expanding trade — can sound skeptical. “I don’t want to see our food come from China, our oil come from Saudi Arabia and our manufacturing come from Europe and Asia,” complained Mike Huckabee. Mitt Romney defends globalization’s record of improving living standards, but cannot resist drawing an applause line by adding that the government should negotiate better with other countries to make sure “the American worker gets a fair shake.”

It would be unfortunate for the United States if the winner of the 2008 election elevated skepticism toward trade from a red-meat sound bite on the campaign trail to a new wave of protectionist policy.

Many Americans are experiencing economic anxiety. Wages for most workers are going nowhere. It is a sad fact that despite enormous gains in productivity over the past few decades, the wages of typical workers are only marginally higher than they were a quarter of a century ago. But throttling trade — say, by reconsidering existing agreements — would hurt a lot more people than it helped. There is scant evidence that trade has played a big role in holding down typical workers’ wages. There is abundant evidence that it has contributed substantially to America’s overall economic growth. It offers American producers access to foreign markets. It multiplies choices for producers and consumers. Foreign competition spurs productivity growth at home.

Trade, like technological change, can produce wrenching dislocations that hurt some workers. But trade barriers are not the proper tool to deal with these changes. What is needed is a bold strategy to rebuild a functioning safety net, deploying some of the vast wealth this nation has gained through globalization to assist those hurt by the forces of economic change. This will allow Americans to embrace globalization, rather than fear it.

The planks of this strategy include health care reform, to ensure that workers who lose their jobs do not also lose access to affordable health insurance, and a form of extended unemployment insurance for all displaced workers, not just those hurt by trade. More progressive taxation — using tools like the earned income tax credit — should be used to address the stagnation of incomes. And more should be spent on the continuous training and education of workers throughout their lives.

It is unclear whether the next president will have the vision to carry through these changes. The Republican candidates' posturing on trade has been pretty much substance-free. But considering the field's uniform approach to economic policy, in which all taxes are bad and most nondefense spending is worse, it is unlikely that a Republican president would be interested in investing in such an expansion of America's social safety net.

The Democratic candidates, on the other hand, tend to be on the right side of the discussion on issues like universal health care, education and social spending. But all of them have included hints of defensive trade policies amid their proposals. Barack Obama has offered the most resistance to the easy path of blaming imports from foreign countries for the woes of the American middle class. "Global trade is not going away, technology is not going away, the Internet is not going away," he said in New Hampshire. "And that means enormous opportunities, but also means more dislocations."

But Mrs. Clinton proposes a "timeout" on future trade agreements, including the World Trade Organization's global trade negotiations, and a reconsideration of existing deals — including Nafta, a cornerstone of Bill Clinton's presidency. Mr. Edwards also talks of "redoing" Nafta. All the Democratic candidates agree that trade agreements should be amended to attach provisions about minimum labor standards.

These changes would do virtually nothing to protect American workers from the disruptions wrought by trade, technology and other economic forces. A protectionist agenda would hurt them.