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Renegotiating NAFTA in era of globalization would handicap our trade-driven economy

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As the campaign rhetoric escalated this year, no issue was kicked around quite as unfairly as free trade - with some candidates calling for a “pause” in pursuing new trade agreements and an “opt-out” of other previously signed deals.

What was lost in this contest of populist one-upmanship is the economic truth about trade agreements and the high price to be paid by undermining our progress in this area. While some politicians and union leaders find it easy to call the North American Free Trade Agreement a “failure,” the truth is that it has driven considerable economic growth and job creation, and we mustn’t let campaign rhetoric cloud reality.

First let’s consider jobs. Since NAFTA’s enactment under President Bill Clinton, more than 28 million jobs have been created. While NAFTA didn’t produce all of these, it’s absurd to call the job creation record of the past 15 years a failure. Moreover, jobs tied to exports actually pay 15 percent to 20 percent higher wages than jobs that aren’t link to exports.

Next, let’s look at economic growth. Since implementing NAFTA in 1994, U.S. GDP has grown by more than 50 percent. And over the past year while our economy has faced significant challenges, selling our products to other countries has generated an impressive two-thirds of U.S. economic growth.

Canada and Mexico, our NAFTA trading partners, now buy a third of these goods. This is why saying “au revoir” or “adios” to trading with Canada and Mexico would mean saying goodbye to millions of good, American jobs.

Finally, let’s turn to the manufacturing sector. NAFTA has brought great benefits for American manufacturers, which have boosted output by more than 50 percent since the agreement came into effect. This is one reason the United States remains by far the world’s largest manufacturer, and in recent years has seen our factories set new records for output and revenues.

Despite the fact that NAFTA has been good for jobs and growth, it has become the proverbial punching bag during this election season. Take Democratic presidential

candidate Barack Obama's comments in February that "We should use the hammer of a potential opt-out as leverage to ensure that we actually get labor and environmental standards that are enforced."

Perhaps the renegotiation idea is simply campaign rhetoric; after all, Obama acknowledged in June that, "Sometimes during campaigns the rhetoric gets overheated and amplified." But merely considering the path toward abrogating this treaty could seriously damage America's reputation in the global economic arena.

Re-opening the agreement invites Canada and Mexico to respond with demands of their own, as both have suggested that they would, that could result in a negative for our businesses, workers, and farmers. And any movement away from free trade also means surrendering the playing field to our global competitors, costing us jobs.

The next president must assess the challenges facing the country and ensure that the American workforce is as competitive as possible. This means having an education system that prepares workers for the jobs of tomorrow and ensuring that those who are adversely affected by trade are retrained to find new jobs.

It also means our leaders must recognize that globalization will not pause just because they want to call "timeout." By sticking to the facts about the economy and trade, candidates perform an invaluable service by exploring issues that sometimes seem too theoretical. For the sake of our country's future, let's see more facts and fewer slogans.

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