

# San Francisco Chronicle

## EDITORIAL

### **A slow fade for free trade**

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Costa Rica voted this week to join a free trade zone with U.S. and six other Central American nations. Another pact with Peru is close to approval in Washington.

Yet the momentum behind free trade, an underlying tenet of an ever-rising world economy, couldn't be weaker. Never an easy sell, the notion of lowered import barriers is losing ground in both Democratic and Republican ranks.

Stagnant wages, jobs shipped overseas and even tainted Chinese toys all play into a soured public mood. Protectionism - and the smaller, more manageable world it promises - is starting to look good.

Overseas the mood is just as gloomy. A string of Latin American countries, led by Venezuela, have cranked up the anti-Yankee rhetoric, picturing free trade as a disguised plot to exploit smaller countries.

These gripes aren't as new as the waning enthusiasm in this country. The weak chance for future agreements is evident to Secretary of State Condoleezza Rice, who is pushing Congress to approve trade pacts with Panama, Colombia and South Korea along with Peru. "We in the United States cannot afford to turn inward, to become fearful ... or to give in to doubt or despair," she said.

This near-eulogy on the White House side is matched by a Wall Street Journal-NBC News poll this week stating that Republican voters by a 2-to-1 margin think free trade is bad for the country.

Add to this Democratic front-runner Sen. Hillary Clinton's coolness to the idea. Her husband moved earth and sky to win passage of the NAFTA trade pact with Mexico and Canada in 1993. Now she favors periodic reviews to continue such deals, a "timeout" on new ones, and more federal officials to oversee complaints. It's clearly a flip-flop favor to unions and industry sectors hit by layoffs and cheap imports and bid to outflank her rival, Sen. Barack Obama, who is more favorable to free trade.

A presidential race may be the worst possible way to examine the issue. Rallies by fired workers give candidates ready-made voting blocs. And no one ever showed up with placards praising cheaper imported tires, T-shirts or orange juice. The benefits won't galvanize voters.

But globalized trade is irreversible. Its overall benefits are uneven but clear: growing trade benefits both producers and buyers. The downsides are real, too: job losses, lopsided labor standards, and environmental perils.

But these trade pacts can be made to include safeguards such as the pending pact with Peru demonstrates. Negotiation must be included, not just an arbitrary end to all barriers.

A small, but telling, turn in the debate took place this week when the pro-free-trade International Monetary Fund released a study on the topic. Free trade doesn't cure all ills and can make things worse for a country with few tech skills and an uneducated workforce. But the answer isn't to junk fair trade and throw up the barriers once again. It's to improve schools, work with investors and plan for better results.

Fair trade should have a future that focuses on solving problems and avoiding political grandstanding.

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