

US Senate reaches bipartisan deal to push trade pacts

By Patrick Martin
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Leading Senate Republicans and Democrats reached agreement Wednesday on a procedure to give President Obama “fast-track” authority to negotiate trade pacts. The deal came less than a day after Senate Democrats blocked a White House-supported effort to hold an immediate vote on Trade Promotion Authority (TPA), the formal name for the “fast-track” authority.

All previous US trade pacts, like the North American Free Trade Agreement (NAFTA), have been negotiated under some form of “fast-track” authority, which requires Congress to hold an up-or-down vote on whatever deal the administration proposes, with no amendments or other changes permitted.

Senate Majority Leader Mitch McConnell announced the agreement on the procedure to be followed on the TPA bill in a statement on the Senate floor Wednesday afternoon, the same location where the previous day, all but one Democrat voted against ending debate on the legislation. The 52-45 vote fell 8 votes short of the 60 required to invoke cloture.

As McConnell explained it, Democrats had now dropped their demands that the TPA legislation should include two other related trade measures: the African Growth and Opportunity Act, to promote trade with that continent; and a customs enforcement bill that included a provision requiring the administration to identify countries as “currency manipulators” and impose trade penalties on them.

The latter provision was vehemently opposed by both the White House and Senate Republicans as a “poison pill” that would blow up ongoing trade talks with 12 Pacific Rim countries, the Trans-Pacific Partnership, because Japan and Malaysia might both be subject to sanctions for conducting central bank operations to lower the value of their currencies in order to make their corporations more competitive on the world market.

The Federal Reserve Board, of course, is doing the

same thing with the US dollar, but that policy has the full support of both parties in Congress.

China is also a frequent target of charges of “currency manipulation,” leveled by US companies facing heavy pressure from Chinese competitors and parroted by the AFL-CIO unions and a section of the Democratic Party, including leading liberals like Elizabeth Warren of Massachusetts and Bernie Sanders of Vermont.

Under the bipartisan agreement, the Senate will hold separate votes Thursday on the customs enforcement bill, including the currency manipulation clause, and on the African trade bill. The first is expected to fail and the second to pass. Then, the Senate will proceed to take up the TPA legislation, with an additional section, essentially a bribe to the AFL-CIO unions, providing Trade Adjustment Assistance to manufacturing workers displaced by foreign competition.

The Senate deal does not by itself guarantee final passage of “fast-track” authority, because there is also opposition in the House of Representatives, from both Democratic supporters of trade protectionism and Republicans opposed to giving Obama any broader authority on any issue. But given the panoply of corporate and financial interests lined up behind the bill—to say nothing of the full support from the military-intelligence apparatus—it seems likely that Congress will approve TPA sometime this month or in early June.

The AFL-CIO hailed the vote Tuesday that temporarily blocked Senate action on TPA, declaring, “We appreciate those senators who stood with working people today against a bill that would have led to undemocratic trade deals that lower wages and eliminate jobs. This vote sends a message loud and clear.”

The leading Democratic opponents of TPA, including Sherrod Brown of Ohio, Elizabeth Warren of Massachusetts, and Bernie Sanders of Vermont, were lionized in the media as leading a “left-wing” opposition

to the Obama White House. Sanders is a declared candidate for the Democratic presidential nomination against Hillary Clinton, while Warren has been heavily promoted for that role by liberal publications like the *Nation* magazine.

Within 24 hours, however, the Democrats had done a backflip, agreeing under White House pressure to stop blocking the legislation. A group of 10 Democrats characterized as “pro-trade,” led by Senator Ron Wyden of Oregon, met with Obama Tuesday night to discuss how to proceed. All are considered likely to support TPA when it eventually comes to a vote, joining with a near-unanimous Republican caucus to ensure easy passage.

The entire legislative exercise is a charade, in which a faction of Senate Democrats pretends to be supporting the interests of workers by espousing a chauvinist and protectionist policy, while the Obama White House and the Senate Republicans pretend to be supporting the interests of workers by advocating “free trade.”

In a speech to the Roosevelt Institute just before Tuesday’s vote, Senator Warren declared, “We can’t keep pushing through trade deals that benefit multinational companies at the expense of workers.” She added, with trademark demagogy, “Government cannot continue to be the captive of the rich and powerful. Working people cannot be forced to give up more and more as they get squeezed harder and harder.”

Meanwhile, Obama declared, referring to the trade agreement, “I believe in this the same way...that I believe in a higher minimum wage. The same way that I believe in stronger protections for workers who are trying to get a voice in their company. The same way I believe in equal pay. The same way I believe in paid sick leave.”

There are so many layers of lies in these rival claims that it is difficult to cut through them all, but the most blatant is the claim that either faction cares the slightest about American workers. The Democratic and Republican parties are both political arms of the financial aristocracy that is waging unrelenting war against the jobs, living standards and social conditions of working people.

The Senate Democrats opposed to the trade legislation defend the interests of non-competitive sections of manufacturing industry, particularly in states like Ohio, Pennsylvania, Michigan and Massachusetts. Obama and the Senate Republicans, as well as the majority of Senate Democrats, back Wall Street and the more powerful exporters like Boeing and Microsoft.

A key element in the TPA is that it grants the White House broad authority to negotiate through 2018, meaning that Obama’s successor, Republican or Democrat, will have at least two years to work out trade deals without congressional interference. This could include not only the TPP, which presently involves the US, Japan, Australia, New Zealand, Brunei, Malaysia, Singapore, Vietnam, Chile, Peru, Mexico and Canada, but also the Transatlantic Trade and Investment Partnership (TTIP), a trade deal between the US and the European Union, which is under discussion but not as close to final language as the TPP.

The TPA legislation establishes 150 goals to be met by forthcoming trade deals, including language purporting to safeguard workers’ rights. But similar provisions have been in place in all the earlier trade deals, like NAFTA and the Central America Free Trade Agreement, which have been used to drive down living standards and reinforce the dictatorship of corporate bosses in all the countries participating.

“Free trade” and protectionism are methods for defending groups of capitalist bosses, not the working class. Moreover, agreements like the TPP are not fundamentally about opening markets, but about creating rival trade blocs directed, in the case of the TPP, against China, the main US rival in the Asia-Pacific region, which is deliberately excluded from the pact.

There is a powerful military-security element in the anti-China policy as well, underscored by the appearance of Secretary of Defense Ashton Carter at a Senate Republican caucus meeting to lobby for the bill, an extraordinary intervention by the Pentagon in what is nominally a purely economic issue.

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