

Options in Brief

Option 1: Keep the U.S. Economy on Top

Since the end of World War II, the United States and many of its chief trading partners have enjoyed unprecedented prosperity and economic growth. Free trade gives all countries a stake in protecting international peace and prosperity because the economic health of one country depends on so many others. Although many barriers to trade remain, progress in lowering tariffs has produced positive results. World trade has soared, living standards have risen, and new technologies have emerged. To back away now from the top position in the global economy would leave the playing field open to U.S. rivals and remove a key pillar of international stability. Now more than ever, the United States is in a position to reap the benefits of international trade.

Option 2: Protect U.S. Workers

For too long, U.S. trade policy has served the interests of a small, selfish elite while the rest of the country has watched from the sidelines. The United States has produced multi-millionaires at a record rate while millions of hard-working people struggle to support their families on shrinking paychecks. U.S. trade policy must put the needs of U.S. workers above the heartless laws of free trade. The U.S. economy cannot be strong if it is constantly shedding jobs. U.S. trade policy must focus on stemming the flow of jobs overseas and protecting U.S. industries from unfair foreign competition. The forces of economic globalization must not be allowed to trample over the lives of the men and women who built the country's economy.

Option 3: Put Values First

The United States should put its values before its wallet. There are issues that are more important to society than the benefits of free trade or the protection of U.S. workers. In today's world, trade policy is one of the most effective tools for addressing a range of global concerns such as human rights violations, environmental degradation, and the exploitation of child labor. The strong desire of other countries to have a trading relationship with the United States means that the United States has the opportunity to help promote broadly-accepted international values. The United States should be prepared to lead the way by imposing sanctions or trade embargoes on nations that do not agree about the importance of these issues. U.S. trade policy should reflect U.S. values.

Option 4: Work for Free and Fair Trade

The current system of trade has not produced greater wealth for all, but clear winners and losers. So-called "free trade" is highly unfair. The current trade system serves the interests of large companies from the United States and elsewhere. Current U.S. trade policies give these businesses a competitive edge while doing nothing to help those hurt the most by free trade. The United States must take a leadership role in making the WTO more fair and effective in serving all countries—rich or poor. Fair trade means providing fair prices for goods and fair wages for workers around the world. In the long run fair trade will promote greater productivity and more high-skilled jobs in the United States. In the short term it will improve the international opinion of the United States.

Option 1: Keep the U.S. Economy on Top

After World War II, the United States took the lead in creating an international economic system that recognized the critical importance of free trade and the free market. Since then, the United States and many of its chief trading partners have enjoyed unprecedented prosperity and economic growth. The United States helped the countries of Western Europe and Japan get back on their feet because it understood that the economic health of U.S. trading partners was vital to U.S. well-being. Although many barriers to trade remain, progress in lowering tariffs has produced positive results. World trade has soared, living standards have risen, and new technologies have emerged. More open trade has provided U.S. consumers with better products at lower prices. Moreover, the growth of trade has cemented U.S. alliances with Western Europe and Japan, and built bridges across the lines of politics and culture. Free trade gives all countries a stake in protecting international peace and prosperity because the economic health of one country depends on so many others.

Now more than ever, the United States is in a position to reap the benefits of international trade. U.S. technological expertise has given the United States the lead in many promising industries of the future, including biotechnology, space technology, and computer software. U.S. ingenuity continues to produce cutting-edge technology. To back away now from the top position in the global economy would leave the playing field open to U.S. rivals and remove a key pillar of international stability. To tie a laundry list of other international issues to trade discussions would take away from expanding U.S. markets and undermine the overall efficiency of the U.S. economy. With its cultural diversity, outstanding universities, and forward-looking industries, the United States can compete successfully with any country in the world.

What policies should the United States pursue?

- The United States should reject foreign policy measures that interfere with U.S. trade interests, especially with respect to China and other key trading partners.
- The United States should press for the expansion of NAFTA and the WTO, and promote the creation of a Pacific Rim trading bloc.

- The United States should use foreign aid and trade benefits to reward poor, developing countries that follow free-trade policies.

Option 1 is based on the following beliefs

- U.S. leaders must base the country's trade policy on promoting the overall health of the U.S. economy, not on helping special interests.
- As participants in the world's most productive, innovative economy, the great majority of people in the United States benefit from the expansion of free trade.

- U.S. leadership in championing free trade is essential to maintaining the United States' broader international role as a force for democracy and the rule of law, and its position as an economic superpower.

Arguments for

1. Increased trade will spur greater economic growth, improve the overall standard of living, and provide U.S. consumers with better products.
2. Free trade will give rise to an international system in which all countries have an interest in maintaining peace, stability, and worldwide economic growth.
3. Promoting more open trade with Mexico and other U.S. neighbors to the south will reduce poverty in Latin America, ease the flow of illegal immigrants into the United States, and expand the market for U.S. goods.
4. The free, open competition of the marketplace will sharpen the efficiency of U.S. industry and encourage innovation.

Arguments against

1. Under free trade, the laws of the marketplace will result in the transfer of millions of U.S. jobs abroad.
2. Free trade will lead to a weakening of worker safety and environmental standards, and prompt cutbacks in education and social services as the United States faces greater competition from developing countries.
3. The blind pursuit of free trade will leave U.S. industries and workers at a disadvantage in competing against companies overseas that use child labor or that have low safety and environmental standards.
4. Free trade without fairness protects industries in the United States at the expense of workers in the United States and abroad.

Option 2: Protect U.S. Workers

For too long, U.S. trade policy has served the interests of a small, selfish elite while the rest of the country has watched from the sidelines. Corporate presidents claim that free trade is the road to economic prosperity for all. Top policy-makers have tried to convince the U.S. public that the WTO, NAFTA, and other trade pacts are the glue holding together the international system. But people in the United States are finally waking up to the truth. In reality, U.S. trade policy has been crafted for the benefit of the few at the expense of the many. The United States has produced multi-millionaires at a record rate while millions of hard-working people struggle to support their families on shrinking paychecks. U.S. trade negotiators have opened the doors to imported goods and other countries protect their industries with high tariffs and subsidies. The result is that the United States has lost millions of jobs since the 1980s. These were jobs that allowed U.S. workers to provide their families with a decent standard of living and to buy the cars, clothes, and computers that other people in the United States made.

U.S. trade policy must put the needs of U.S. workers above the heartless laws of free trade. The U.S. economy cannot be strong if it is constantly shedding jobs. More than any other group, workers have suffered from misguided U.S. trade policy. U.S. trade policy must focus on stemming the flow of jobs overseas and protecting U.S. industries from unfair foreign competition. At home, the United States must help workers adjust to the changing economic environment through expanded government retraining programs. The forces of economic globalization must not be allowed to trample over the lives of the men and women who built the country's economy.

What policies should the United States pursue?

- The United States should press for more favorable terms under the WTO so that it can raise trade barriers to protect U.S. businesses.
- The United States should substantially expand programs designed to retrain U.S. workers.
- The United States should use tax policy to discourage U.S. companies from transferring manufacturing jobs abroad and to encourage foreign companies to base their factories in this country.

Option 2 is based on the following beliefs

- Most of the benefits of free trade are reaped by wealthy investors, while the majority of U.S. workers suffer from lower wages and greater job insecurity.
- Protecting the interests of U.S. workers should be the top priority of U.S. trade policy.
- Many successful economies have largely ignored the principles of free trade in order to protect their local businesses. The United States should too.

Arguments for

1. Raising some barriers to trade will boost U.S. businesses and keep them from transferring jobs overseas.
2. By taking control of the pace of economic change, the United States will ease the disruptive effects of change on workers and slow the widening gap between rich and poor.
3. By investing in the retraining of U.S. workers, the United States will strengthen the overall competitiveness of the U.S. economy.
4. Ensuring that good jobs stay in the United States will protect U.S. workers and contribute to the overall strength of the economy.

Arguments against

1. Raising U.S. trade barriers will push other countries to raise their own trade barriers, which could reduce exports worldwide and tip the global economy into a depression.
2. Erecting barriers against outside competition will deprive consumers of a wide selection of goods and drive up prices.
3. There is no need to raise barriers to protect jobs when so many new jobs can be created through free trade.
4. Imposing restrictions on U.S. businesses will lead to lower corporate profits and falling returns for tens of millions of ordinary U.S. investors.
5. Raising trade barriers will not insulate the United States from immigrant workers fleeing economic hardship and political instability in their own countries.

Option 3: Put Values First

The United States should put its values before its wallet. The United States must recognize that there are issues that are more important to society than the benefits of free trade or the protection of U.S. workers. In today's world, trade policy is one of the most effective tools for addressing a range of global concerns such as human rights violations, environmental degradation, and the exploitation of child labor. Addressing these international concerns is not just idealistic; it makes good economic and political sense. Societies that are torn apart by economic strife and the lack of respect for human rights are unstable. Instability can increase immigration, pushing people across borders to escape suffering, poverty, and injustice. This puts pressure on the economies and societies of other countries. Instability also can weaken governments so that they are unable to monitor the business practices of the companies in their countries. Businesses using child labor or exploiting their workers have an unfair advantage over businesses in the United States and elsewhere. Environmental pollution spills over borders and ultimately has a cost to the rest of the world.

U.S. trade policy should promote the values that are most important to the U.S. people. The strong desire of other countries to have a trading relationship with the United States means that the United States has the opportunity to help promote broadly-accepted international values. With its economic strength, the United States can promote human rights, safe working conditions, and a clean environment as conditions of trade. The United States should be prepared to lead the way by imposing sanctions or trade embargoes on nations that do not agree about the importance of these issues. U.S. trade policy should reflect U.S. values.

What policies should the United States pursue?

- The United States should not have normal trading relations with countries that do not share the same concerns for human rights and labor standards. The United States should lead the way in imposing trade embargoes and economic sanctions on countries that violate human rights.

- The United States should insist that all trade agreements provide safeguards for the environment.

- The United States should press its trading partners in the developing world to raise wages and worker safety standards as their economies grow. U.S. companies operating in the developing world should be prodded to lead the way.

Option 3 is based on the following beliefs

- While economic interests are important, the United States cannot separate those interests from its concerns for justice, human rights, and democratic processes.

- Government policy on trade should reflect a commitment to protecting the environment.

- The world's long-term economic health and the stability of the international system are linked to the growth of human rights and the rule of law worldwide.

Arguments for

1. Promoting human rights helps promote international stability and is therefore vital to global security.

2. Linking trade policy with other issues gives the United States greater leverage in dealing with concerns that will ultimately affect the world community.

3. Failure to deal with the issues of the environment and human rights in trade agreements will mean that the United States and other countries will face the costs of pollution as well as the increased immigration of people fleeing hardship.

4. As conditions in poor countries improve, business there will be forced to compete fairly with businesses in the United States and elsewhere.

Arguments against

1. Tying trade policy to a laundry list of other international issues will hurt U.S. efforts to expand trade and will weaken the U.S. economy.

2. By concentrating on the issues of other countries, the United States could overlook the economic hardships faced by U.S. workers.

3. By promoting strict regulations, the United States would put additional burdens on developing countries and possibly foster resentment towards the United States among people in those countries.

4. By forcing industries in developing countries to adopt costly labor, safety, and environmental standards the United States may contribute to companies cutting costs by laying off workers at home and abroad.

5. Trade embargoes and sanctions often harm the very people the policies intend to help.

Option 4: Work for Free and Fair Trade

Many U.S. leaders have given lip service to the idea that all gain from free trade. In reality, the current system of trade has not produced greater wealth for all, but clear winners and losers. So-called “free trade” is highly unfair. If the United States is to promote free trade around the world, it must practice what it preaches. The current trade system serves the interests of large companies from the United States and elsewhere. Large businesses have an edge over small producers around the world because of their size and ability to set up shop anywhere. These enterprises inundate markets with their products. Many people in the United States and around the world have been put out of work because of competition from these businesses. Many of these businesses, particularly in agriculture, receive large subsidies from their governments. This allows them to sell their products at artificially low prices. Current U.S. trade policies give these businesses a competitive edge while doing nothing to help those hurt the most by free trade.

The United States plays a leading role in the WTO, which promotes freer trade. But the United States does not fully follow the WTO’s principles. The United States should eliminate its subsidies and tariff barriers. In addition, the United States should lead discussions about an international minimum wage to ensure that workers around the world earn enough money to be able to afford food, clothing, and shelter. Fair trade means providing fair prices for goods and fair wages for workers around the world. The United States must take a leadership role in making the WTO more fair and effective in serving all countries—rich or poor. The United States should ban “dumping” of U.S. products in foreign markets and force U.S. corporations to provide livable wages to their workers at home and abroad. In the long run fair trade will promote greater productivity and more high-skilled jobs in the United States. In the short term it will improve the international opinion of the United States.

What policies should the United States pursue?

- The United States should reduce or eliminate subsidies to agricultural producers and reduce tariffs on imported goods.
- The United States should push for the further reduction of trade barriers and take a leading role in making the WTO more fair.
- The United States should encourage U.S. corporations to provide livable wages to their workers overseas.
- The United States should provide job training for U.S. workers who lose their jobs due to competition and free trade.

Option 4 is based on the following beliefs

- All people deserve an equal opportunity to earn a living on which they can survive.
- Creating a system of fair and just trade is more important than creating a system that only profits wealthy businesses in the United States and elsewhere.
- As one of the most economically-powerful countries in the world, the United States has a responsibility to look out for those falling through the cracks of the international trade system that the United States helped create.

Arguments for

1. Taking a lead in fair trade will improve international opinion of the United States.
2. Reducing trade barriers will promote greater competition and therefore greater productivity and growth in the U.S. economy in the long run.
3. The United States will be poised to take a lead in new industries, particularly in high-tech sectors. This will replace many lower skilled jobs in manufacturing, for example, with higher skilled and higher paying jobs.
4. Fair trade will most benefit poor people in the developing world, which may greatly reduce the amount of money the United States devotes to foreign aid.

Arguments against

1. U.S. jobs will be lost.
2. The trade deficit will grow once protective trade policies such as subsidies are ended and more businesses move overseas. The United States will be forced to import more and more agricultural and manufactured goods while its exports from those sectors decline.
3. U.S. companies will face steeper competition around the world without protective trade policies.
4. Cutting into corporate profits would open the playing field for another great economic power to emerge and challenge the U.S. global position.