

INTERNATIONAL TRADE

Presidential rivals 'put aside trade issue'

Harvard professor says Congress holds the real key to trade policies

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TRADE — such an important issue for Singapore — was never going to be on the priority list for the next President of the United States, even without the ongoing financial crisis.

Never mind if that man is going to be Senator John McCain or Senator Barack Obama, the head of what is still the world's most powerful economy will have even more pressing matters to deal with, said a renowned international trade expert yesterday.

"US policies in general are unlikely to be emphasising trade. Obviously, rescuing the financial system, economic recovery, dealing with healthcare and then finally dealing with inequality are all going to be much higher on the agenda," said Dr Robert Lawrence, the Albert L Williams Professor of International Trade and Investment at Harvard University.

Dr Lawrence was speaking at the launch of the Temasek Foundation Centre for Trade and Negotiations. Housed in the S Rajaratnam School of International Studies in Nanyang Technological University, the centre would train government officials for international trade negotiations.

The US Presidential election has generated much interest worldwide. But as far as international trade is concerned, whoever wins the ticket to the White House will make little difference, Dr Lawrence said.

He mused: "Too many people are asking who's going to be the next President of the United States and too few are asking, 'Oh, what does Congress think about trade?'"

He pointed out that in the US, the ultimate authority on trade policy rests with Congress, rather than with the President. "The President is just the negotiator, it's the Congress that is sending out the President to negotiate."

Still, Dr Lawrence painted different scenarios for a McCain

or Obama win.

With the Democrats enjoying a majority in the US Congress, which it is likely to extend in the November elections,

Mr McCain — a Republican — would have "tremendous difficulty" to pursue new free trade agreements, with the Democrats insisting on agreements to include stringent labour and environmental requirements.

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By contrast, Mr Obama "should have greater ease in getting trade promotion authority". Still, either man could not do worse than his predecessor, President George W. Bush, in terms of America's commitment to global free trade.

Dr Lawrence said: "What we are likely to see is an American President who does want to signal to the world that America is interested in participating in multilateral institutions in a way that this current administration has knocked down. That leaves you to be hopeful."

Having said that, Dr Lawrence was not too optimistic about any breakthrough in the stalled World Trade Organisation talks. The latest round of global trade talks began seven years ago but broke down again this July, over issues of agricultural trade between the United States, India and China.

Dr Lawrence said: "If the next President decides he's prepared to cut the deal, he can do it quickly. If he does it quickly, I think he can do it. But it's unlikely to be one of his top priorities, and if it lingers... I fear it's going to create a difficult environment."