

Recently the *Sacramento Bee* published an [opinion-editorial](#) I authored regarding the 80th anniversary of the Smoot Hawley Act, a 1930 law that raised tariffs on imported products in every sector of the U.S. economy. Most economists largely agree that this law, passed to purportedly “protect” U.S. companies from overseas competition, worsened the Great Depression because it motivated other nations to retaliate with their own tariffs, shutting down global trade altogether. I believe that while our nation has avoided the tariff-driven protectionism of the 1930’s, President Obama and the Democratic Congress’ support for what I would call soft protectionism (defined by non-tariff barriers and inactions) threatens America’s future prosperity. We are falling behind our global competitors who are moving rapidly to increase trade with other nations, leaving America’s farmers, ranchers, manufacturers, and service providers at a major competitive disadvantage. I firmly believe that the President must assert strong leadership in support of open markets as Presidents of both parties have done since World War II. I have included the text of the op-ed below.

Free trade gets only lip service

This week marks the 80th anniversary of perhaps the most disastrous economic legislation in our nation's history. The Smoot-Hawley Tariff Act of 1930 was the signature failure of 20th century protectionism. It raised tariffs on products in every sector of the U.S. economy, resulting in retaliatory tariffs from other countries and a dramatic reduction in global trade. Modern economists largely agree that Smoot-Hawley worsened the Great Depression.

Our nation and much of the world painfully learned the lesson that trade barriers severely undermine economic prosperity. Following World War II, both Republican and Democratic presidents worked to open new markets and recognized the far-reaching benefits of trade for American workers, consumers and small businesses. In 1962, President John F. Kennedy proclaimed the importance of free trade and our nation's leadership role in advancing it: "Economic isolation and political leadership are wholly incompatible.

"The United States has encouraged sweeping changes in Free World economic patterns in order to strengthen the forces of freedom. But we cannot ourselves stand still. If we are to lead, we must act. We must adapt our own economy to the imperatives of a changing world and once more assert our leadership."

Unfortunately, in the midst of the most severe economic downturn since the Great Depression, President Barack Obama has failed to assert the strong leadership we need on trade, thus bringing our nation's trade agenda to a standstill. He has embraced a new era of soft protectionism – centered primarily on non-tariff barriers and willful inaction – that is restricting

U.S. trade and undermining our economic recovery.

Aside from his misguided tariffs on tires from China, the president has for the most part avoided the outright tariff-driven protectionism that plagued the Great Depression era. But he has chosen to endorse damaging non-tariff barriers to shield domestic industries from foreign competition.

Most prominently, the "Buy American" provision included in the misnamed economic stimulus legislation in 2009 green-lighted protectionism worldwide and sent an alarming message to all of our trading partners that the United States believes trade impedes, rather than fosters, economic growth. Additionally, the administration continues to prohibit the efficient cross-border transportation of goods from Mexico as required by our trade agreement with that nation. Mexico has responded by imposing billions in harmful retaliatory tariffs on U.S. agriculture and other goods.

Equally troubling, President Obama has not rallied members of his party and powerful special interest groups to support open markets as Presidents Kennedy and Clinton did.

To be sure, he has talked about the importance of trade, called for the doubling of exports, and warned about the dangers of sitting on the sidelines as other nations pursue trade agreements. But he has failed to match his rhetoric with the commitment and leadership necessary to persuade anti-trade Democrats to end their delay tactics and take positive actions, such as passing the market-opening agreements with Colombia, Panama and South Korea.

The U.S. International Trade Commission estimated that they would increase U.S. exports by at least \$12 billion, which, under the administration's own calculations, would create 250,000 jobs.

It is critical to stress that protectionism through inaction threatens our prosperity just as its more explicit predecessor did. As our nation fails to implement market-opening agreements, we are losing our competitive edge because other countries are moving forward with agreements that will lock out U.S. companies and cost U.S. workers their jobs.

Colombia has negotiated agreements with Canada and the European Union and has implemented agreements with Argentina, Brazil, Paraguay and Uruguay. The American Farm Bureau Federation found that U.S. agricultural exports to Colombia dropped 50 percent last year as Argentina and Brazil used their new duty-free access to take market share away from American farmers and ranchers.

Meanwhile, South Korea is negotiating an agreement with Australia and could implement an agreement with the EU before the end of this year. Our failure to act on the U.S.-Korea agreement will be especially detrimental given the size of the Korean market.

President Obama is therefore faced with a stark choice. He can undermine our economy by hiding behind tired anti-trade arguments and appeasing key supporters who disregard the overwhelming benefits of open markets, or he can match his rhetoric with positive action, reverse protectionist policies, and help put our nation back in the driver's seat of the global

economy.