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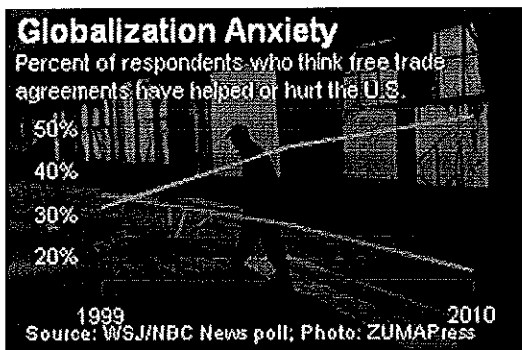
Americans Sour on Trade

Majority Say Free-Trade Pacts Have Hurt U.S.; Wedge Issue in Some Races

By SARA MURRAY And DOUGLAS BELKIN

The American public, already skeptical of free trade, is becoming increasingly hostile to it.

Across the country, politicians are responding accordingly, and that is clouding prospects for congressional approval of pending free-trade pacts with South Korea and Colombia. It is also prompting concern among U.S. businesses reliant on the rest of the world for growth.



In the latest Wall Street Journal/NBC News poll, more than half of those surveyed, 53%, said free-trade agreements have hurt the U.S. That is up from 46% three years ago and 32% in 1999.

Even Americans most likely to be winners from trade—upper-income, well-educated professionals, whose jobs are less likely to go overseas and whose industries are often buoyed by demand from international markets—are increasingly skeptical.

"The important change is that very well-educated and upper-income people compared to five to 10 years ago have shifted their opinion and are now expressing significant concern about the notion of...free trade," said Bill McInturff, a Republican pollster who helps conduct the Journal survey. Among those earning \$75,000 or more, 50% now say free-trade pacts have hurt the U.S., up from 24% who said the same in 1999.

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Worries about side effects of trade and outsourcing seem one of the few issues on which Americans of different classes, occupations and political persuasions agree. The vote in the House last week to arm the administration with more levers to pressure China to let its currency rise, and thus restrain its export machine, was bipartisan: 249 Democrats and 99 Republicans voted for it.

While the rhetoric may be heated by approaching congressional elections, the sentiment isn't likely to disappear after November. "We are entering a very dangerous period in which we could actually slip backwards and see the undoing of some of the progress that has been made in recent decades toward a

more open world economy," said William Galston, a former adviser to President Bill Clinton now at the liberal-leaning Brookings Institution think tank in Washington.

The rising hostility seems a delayed reaction to a slow economic recovery and high unemployment. To many, China has replaced Wall Street as the villain du jour. Opposition to trade is fueled by reports that many U.S. multinational companies, sitting on huge stockpiles of cash, are reluctant to invest in the U.S. and are looking overseas, and by the fact that China has pulled out of the global slump much faster than the U.S.

Outsourcing Angst

Q: Do you agree or disagree that outsourcing of production and manufacturing work to foreign countries is a reason the U.S. economy is struggling and more people aren't being hired?

By income (PERCENTAGE AGREEING)

Under \$30,000	78%
\$30,000-\$50,000	89
\$50,000-\$75,000	86
More than \$75,000	93

By job

Professionals/managers	95%
White collar	89
Blue collar	83
Retired	76

By party affiliation

Democrat	84%
Republican	90

Source: WSJ/NBC News poll conducted September 2010, margin of error for full sample: +/- 3.5 percentage points

John Wallis, 50 years old, blames imports for the 2001 death of his 12-employee business that made small electronic prototypes for the telecommunications industry and the subsequent loss of his Chicago-area home. "Trade is fine and dandy in a scenario where everybody wins," Mr. Wallis said. But the U.S. isn't winning, he said. Mr. Wallis now works in programming and design for an international manufacturer in Rhode Island, but doubts he'll ever be able to repay debts from his old business. "Financially we've never recovered," he said.

One beneficiary of trade has been Karen Scott, 33, who has a master's degree in global marketing and advertising. Though now home with her three children, she worked in sales for a multinational health and pharmaceutical company and plans to return. Yet Ms. Scott said she understood why there was so much angst. "I think it becomes more prevalent at this time when the economy is doing so poorly," she said. "There are U.S. citizens that are out of work."

In the recent Journal poll, 83% of blue-collar workers agreed that outsourcing of manufacturing to foreign countries with lower wages was a reason the U.S. economy was struggling and more people weren't being hired; no other factor was so often cited for current economic ills. Among professionals and managers, the sentiment was even stronger: 95% of them blamed outsourcing.

Generally, businesses and economists argue that free-trade pacts help America. "When we knock down barriers in those markets, we create jobs here," said Myron Brilliant, senior vice president for international affairs at the U.S. Chamber of Commerce. "We've got to trade to create jobs in our country."

Tramco Inc., a Wichita, Kan., conveyor manufacturer, worries about the public attitudes against trade. Much of the firm's growth strategy is tied to international markets, said Chief Executive Leon Trammell. Ten years ago, Tramco opened a factory in Hull, England, to ship goods tariff-free to Europe. The plant now employs 40 of its 140 employees. "If we had a trade agreement with France and I could ship from here same as I could ship from Hull, England, I'd be shipping from here," Mr. Trammell said.

While some candidates are successfully making such arguments in this fall's campaign, it is an uphill climb. In northern Illinois, Democratic Rep. Debbie Halvorson is running ads slamming her opponent, Adam Kinzinger, for backing trade pacts that "ship our jobs overseas."

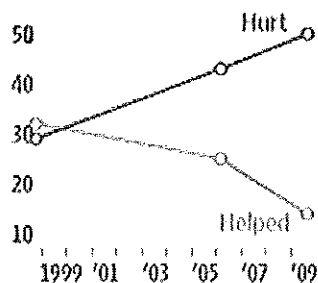
"China is cheating," she said in an interview. "We need to send a message that they need to play by the rules."

Mr. Kinzinger counters that 95% of all consumers are outside the U.S. He said the state's top manufacturers "say that in order to be successful and to hire people in Illinois to manufacture and put our stuff together, we've got to have trade."

In the U.S. Senate race in California, Republican Carly Fiorina, former chief executive of Hewlett-Packard Co., is accused by her opponent, Democratic Sen. Barbara Boxer, of having "laid off 30,000 workers, shipped their jobs to China, India, Malaysia." Ms. Fiorina's spokeswoman fires back: "Barbara Boxer's out-of-touch, job-killing policies of outrageous taxes and impossible regulations have pushed jobs in this country elsewhere."

Rising Anxiety

Q: Do you think free-trade agreements have helped or hurt the U.S.?



Source: WSJ/NBC News poll. Margin of error in Sept. 2009 poll is ±3.1 percentage points.

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Some Republicans are reasserting their commitment to trade. The Republican candidate for U.S. Senate in Ohio, former U.S. Trade Representative Rob Portman, is leading in the polls. Others are quiet. The House Republicans' recent "Pledge to America" doesn't mention free trade. And of eight tea party Republican candidates for the U.S. Senate, only two mention support for free trade on their websites. In the Journal poll, 61% of those who identify themselves as tea-party supporters say trade agreements have hurt the U.S.

With the Democrats' union constituencies skeptical of free trade, and the public so hostile, the Obama administration hasn't made fostering free trade or changing Americans minds about it as high a priority as President Bill Clinton did.

Administration officials counter that they successfully resisted most protectionist pressures during the recession, and note the president's emphasis on the need to boost U.S. exports and his support for breaking the gridlock holding up approval of a U.S.-South Korea free trade agreement. U.S. and Korean officials held informal talks last month, but there appears little progress toward changing the provisions of the pact affecting U.S. beef and auto

producers—a major stumbling block to congressional approval.

The White House has done little lately to advance pending trade pacts with Colombia or Panama. Nor does there appear to be any progress in settling a dispute with Mexico, which imposed tariffs on the U.S. after the administration signed a measure favored by Democrats canceling a pilot program that allowed Mexican trucks to carry cargo on U.S. roads.

White House spokeswoman Jennifer Psaki said the White House's goal remains to resolve outstanding issues with South Korea before the Group of 20 summit in Seoul in November. "The President supports free and fair trade agreements that include strong labor and environmental protections," she said.

—Louise Radnofsky and Jim Carlton contributed to this article.

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