

To create jobs, focus on free trade



ROBERT MOSBACHER

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Rebuild consensus in favor of seeking new global markets

By JAMES G. McGRATH

AS President Obama approaches what will technically be his second State of the Union address later this month, he has clearly failed by his own standards for economic leadership and job creation set forth in last year's talk. The question is can he follow his own advice from the same speech to pull America out of our economic malaise?

During his January 2010 State of the Union address, the president waxed eloquent about the \$787 billion 2009 stimulus bill (which he had said would hold unemployment steady at 8 percent) and confidently predicted: "We're on track to add another one and a half million jobs ... by the end of the year."

Bear in mind we need to create 1.5 million jobs every year just to absorb the *new* entrants to the workforce.

Sadly, this year the president fell well over 500,000 jobs short of even his modest goal as the unemployment rose to 9.8 percent and another 1.3 million American workers became classified as "discouraged" — meaning they left the labor market and can no longer collect unemployment benefits.

Today, as a result, there are 26.5 million unemployed and/or underemployed Americans by the Obama administration's own count. Juxtapose this factoid with the president's declaration last January that "jobs must be our No. 1 focus in 2010."

Despite this lackluster performance, contained in President Obama's speech

last year was at least one powerful, practical and effective job-creation policy prescription for what ails America.

"We need to export more of our goods," the president said to bipartisan applause. "Because the more products we make and sell to other countries, the more jobs we support right here in America. So tonight, we set a new goal: We will double our exports over the next five years, an increase that will support two million jobs in America."

Former Commerce Secretary Bob Mosbacher, who served in the George H.W. Bush administration and who died three days before the 2010 State of the Union, would have smiled with approval at that declaration of American can-do spirit and optimism.

As one of the principal architects of the North American Free Trade Agreement (NAFTA), few Americans worked harder to help open overseas markets around the world to U.S. goods and services. In fact, Mosbacher helped grow our exports by \$7 billion, or 25 percent, during his tenure at Commerce from 1989 to the end of 1991.

In his recently released memoirs, *Going to Windward*, Mosbacher nevertheless lamented that the bipartisan consensus on free trade that was constructed principally through the vision and political leadership of two presidents — George H.W. Bush and Bill Clinton — had essentially atrophied and been tossed aside by the labor lobby which was given free rein under President Obama and former House Speaker Nancy Pelosi.

Mosbacher was particularly appalled, as he wrote, that America "refused to consider granting free trade status to Colombia despite the fact that Colombia is openly pro-American, a courageous ally in the battle against narco-traffickers, and a key counterweight to the contemptible leadership in Venezuela."

If he is truly serious about creating jobs — to say nothing of standing by a democratic ally in our own hemisphere who has risked so much to be a force for stability — it is past time for President Obama to rebuild the national consensus on free and fair trade. The best place for him to demonstrate his seriousness of intent is to include Colombia when he sends the next round of free trade deals to Capitol Hill.

Curiously, White House officials recently signaled they would not send the Colombia free trade deal to Congress because they predicted Republicans, who were then still weeks from assuming power in the U.S. House, would not support the deal. Never mind the fact that Colombian goods already enter our market duty-free. And weren't the prospects for the recently ratified START treaty equally as dim before the president intervened? Where's the leadership on trade?

The White House has changed course on other matters of national security and economic importance, and such a move now would show our president is not a captive of the special labor interests in his party nor reflexively anti-business, as many energy companies here in Texas and elsewhere have reason to suspect.

Quoting the president's own words from last January: "We have to seek new markets aggressively, just as our competitors are. If America sits on the sidelines while other nations sign trade deals, we will lose the chance to create jobs on our shores."

As the proverb says, Mr. President, "Physician, heal thyself."

McGrath is a spokesman and speech writer for former President George H. W. Bush and co-author with Bob Mosbacher of the recently released "Going to Windward: A Mosbacher Family Memoir" (Texas A&M University Press).