

Can Bob Dole lead on trade?

By STEVE CHARNOVITZ

The theme of Sen. Bob Dole's presidential campaign is "leadership." He is the Senate majority leader. His campaign plane is called the "Leader's Ship." Even his dog's name is "Leader." Unfortunately, he isn't demonstrating much leadership.

The role of a congressional leader is to oversee the enactment of needed legislation. Conceivably, some politicians may not want new legislation on the grounds that current laws are just fine. But that does not apply to Sen. Dole. He has been a perennial advocate of reforms such as balancing the budget, fixing welfare and curbing excessive regulation.

By any measure, Sen. Dole has performed poorly as a congressional leader. He twice acquiesced in House Speaker Newt Gingrich's scheme to shut down the government, thereby wasting millions of tax dollars. One of the most important appropriations — for education, health and training — remains stuck on the Senate floor. Indeed, with the exception of new laws on communications and shareholder lawsuits, this Congress has accomplished nothing of economic significance.

Sen. Dole recently revealed that he had not realized that "jobs and trade and what makes America work" was going to be a big issue in the presidential campaign. The "leader," it seems, is at last catching up.

In view of the continuing stagnation in family income, there is plenty the Congress could be doing. It could increase public investment in retraining, education and infrastructure. It could promote more trade liberalization by giving President Clinton negotiating authority. It could begin solving the long-term financing problems of social security. But Sen. Dole has not led the Senate down any of those paths.

Unlike Sen. Dole, presidential candidate Pat Buchanan has given a lot of thought to the economic anxieties of ordinary Americans. He blames foreign countries for job losses and for the stagnation in U.S. incomes. He proposes higher tariffs as a solution.

Protectionism, of course, would only make things worse. While this point is obvious to many people, it is not always self-evident to the workers, families and communities adversely affected by imports. Advocates of trade liberalization have been far too complacent in assuming that the virtues of free trade speak for themselves.

Although the Clinton administration has racked up very important successes in trade policy, such as completing the Uruguay Round, it continues to send a muddled message on trade. For example, Washington has recently blocked trucks from Mexico, restricted garments from Costa Rica and muscled Canada into reducing lumber exports. Hardly a week goes by during which

U.S. Trade Representative Mickey Kantor does not threaten trade sanctions against one nation or another.

Sen. Dole supported legislation to implement the Uruguay Round. But the price of his vote was the Clinton administration's support of his "Three Strikes and We're Out" plan. Under his bill, a review commission composed of five sitting federal judges would evaluate decisions by World Trade Organization panels that go against the United States. If the judges find error three times in five years, the Congress would vote on a resolution to withdraw approval of U.S. membership in the WTO. Many trade analysts have pointed out the serious legal and policy problems with this approach, but Sen. Dole appears to be sticking to his guns.

Yet, if he really believes in his bill to curtail WTO powers, he should have pushed for its passage. Despite his leading position in the Senate, he couldn't even persuade the Finance Committee to approve the measure.

If Sen. Dole's review commission were in operation, the American judges most likely would agree with the WTO panel's decision that a controversial Environmental Protection Agency regulation on gasoline discriminates against foreign producers. Venezuela and Brazil challenged the EPA gasoline rule in Geneva and won. The EPA itself had recognized that its regulation needed to be corrected, but was forbidden to

do so by the Congress, which ordered the agency back in 1994 not to spend money for that purpose.

As a result, imports of gasoline have been reduced and domestic prices may be a bit higher. One might imagine that the new Republican Congress would have done something about this. It would seem to be a perfect candidate for House Speaker Newt Gingrich's vaunted "Corrections Day," when stupid regulations are corrected by the House. But that hasn't happened.

The main reason is that House Republicans supported the appropriations rider that blocked EPA in the first place. Although professing to be in favor of open markets, the current House Republican leaders — including Speaker Gingrich himself, Richard Armey, Tom DeLay, Dennis Hastert, John Boehner and Bill Archer — all voted in favor of U.S. protectionism. The full story behind the House decision to aid domestic oil interests isn't clear. Was it just a simple anti-EPA vote? Or some other political move motivated by the 1994 election?

Maybe Sen. Dole is right that we need a new WTO review commission. But his commission would be more beneficial if it also investigated why U.S. policy-makers continue to flout international trade rules.

Steve Charnovitz writes on business, trade and the environment from New Haven, Conn.