

OPINION

How to enact 'fast-track'

BY STEVE CHARNOVITZ

Fast-track trade negotiating authority may be achievable this year. Following months of inactivity in the U.S. House of Representatives, the Senate Finance Committee recently approved a comprehensive trade bill. Getting this bill enacted into law is an iffy proposition, however, because so little time remains before Congress adjourns in early October. The safest strategy would be for the House to agree to the Senate's plan, and thereby avoid a conference committee.

In the absence of new legislation, U.S. trade policy will persist in a holding pattern. The Clinton administration will remain unable to fulfill its promise to Chile to add that country to the North American Free Trade Agreement. Without fast track, no serious negotiations will begin for a hemispheric trade and investment accord. Similarly, little progress will be made within the World Trade Organization to launch new "Millennium Round" negotiations.

The Senate Finance Committee's action to resuscitate U.S. trade policy is a bold maneuver. Using the House-passed African trade bill as a pie crust, the committee has added several important provisions — including approval of the treaty to curb shipbuilding subsidies, extension of the Generalized System of Preferences, and renewal of fast track. The bill will be considered by the full Senate in September.

The committee's bill could be a lot better than it is. Its chief flaw is the weak authority it accords to the president. For example, the bill would prevent the president from slicing most tariffs by more than half unless the American industry being protected agrees to zero tariffs. The bill also would prevent the president from implementing an international trade agree-

ment that includes provisions involving environmental, health or labor standards. This provision is especially troubling because it narrows the potential base of public support for U.S. trade policy.

Nevertheless, the Senate should act favorably. Even weak presidential trade authority is better than no authority at all. Completing the trade bill soon should help counter the economic slowdown triggered by the Asian recessions. While most of the effects of any trade law are long-term, enacting the bill this year could generate an immediate boost from renewed

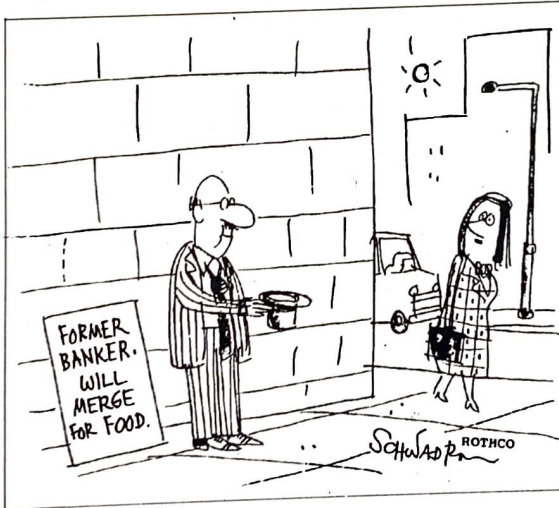
window of opportunity. Having done so little to promote fast-track during the past nine months, the House leadership should disclaim any right of co-authorship with the Senate. Instead, Speaker Gingrich should put the Senate version up for vote in the House "as is." The test for House members should not be whether the Senate bill is ideal. Rather, it should be whether the Senate bill is better than no law at all.

Environmentalists should reconsider their opposition to the trade bill. It is true that the bill does nothing directly to improve the environment. Even

worse, it ignores the internationally agreed principle that trade and environment policies should be made "mutually supportive." Nevertheless, the good outweighs the bad. Giving the president authority to open U.S. markets is a sine qua non for constructive environmental negotiations with developing countries. At present, American protectionism is a big

albatross for U.S. environmental negotiators.

To facilitate positive congressional action, the Clinton administration should quit griping about the unexpected arrival of the trade stork. The president has been asking for new negotiating authority since 1994, and now it may be within his grasp. Yet White House spokesman Mike McCurry recently complained the Republicans were moving fast-track as "a political issue, not international economic policy." Passing a trade bill may discomfit one wing of the Democratic party. But this should be an easy call for a president who promised to focus like a laser beam on the economy.



confidence in U.S. economic leadership.

Assuming the Senate votes yes, the critical moment will come when the trade bill returns to the House. The usual procedure would be for the House to disagree with the Senate amendment, and then to send the bill to a House-Senate conference. Yet this is a dangerous course so late in the year. The bill could easily get stuck in conference over policy disagreements. Moreover, even if the bill emerges, it still faces another vote in both houses a short time before the election. Running the Senate gamut can be especially treacherous, on the eve of adjournment because protectionist senators will use all their prerogatives for delay.

Instead of following the usual procedure, House Speaker Newt Gingrich should seize this

Steve Charnovitz directs the Global Environment & Trade Study at Yale University.