

## EDITORIAL/OPINION

## Rebuilding the Trade Fast Track

By STEVE CHARNOVITZ

In its first three months, the 104th Congress has taken no action to renew the "fast track" authority presidents need to negotiate new trade agreements. This lack of bargaining authority will make it difficult for the Clinton administration to continue its leadership role in promoting new free trade areas in Latin America and the Asia Pacific region. By denying traditional trade tools to the president, the Congress drains America's power in the world economy.

Fast track is the parliamentary process invented 20 years ago to streamline congressional approval of trade agreements. The Congress pre-authorizes negotiations and then permits the president to submit implementing legislation that is voted on by the House and Senate without amendment.

The Clinton administration has tried to downplay the seriousness of the loss of fast track. For example, U.S. Trade Representative Mickey Kantor has pointed out that the Reagan administration lacked fast track for the first two years of the Uruguay Round trade negotiations. While it served the purpose of spin control, this story is untrue. President Reagan did have fast track authority when the Uruguay Round began in 1986, although he recognized that a renewal would be needed to conclude the round.

It is too early to tell if the inattention to trade by the new Congress is the result of a heavy work load in other areas or a sign that the old-time Republican squeamishness about freer trade is resurfacing. When the Republicans last controlled the Congress in 1953-54, and before that in 1947-48, trade negotiating authority was granted one year at a time. Many of the new House Republican freshmen reportedly take an isolationist stance regarding trade agreements.

Of course, skepticism about trade is not confined to Republicans. Re-

cently, House Democratic leader Richard Gephardt suggested that Chile's entry into the North American Free Trade Agreement be put on hold because of "turmoil" in Mexico. There is turmoil in Mexico. (Many Europeans worry about turmoil in Washington!) But that is hardly a reason to deny other Latin American countries the opportunity for stronger trade ties with the United States.

So far, the loss of fast track has not hampered U.S. trade policy. Last fall, the administration participated successfully in economic summits with Asia-Pacific and Western Hemisphere nations. But the seeming disinterest of the Republican leadership in international trade inevitably will make other governments wary of new trade talks. Indeed, protectionist interests in other countries will gain a potent excuse for delay.

By its very nature, fast track rolls over members of Congress and interest groups that are accustomed to exerting influence on policy-making. During the fights over Nafta and the GATT, fast track garnered a multitude of critics. Sen. Robert Byrd called it a "rape of the legislative process." Even senators who voted for the GATT, such as Robert Dole, have expressed doubts about reviving fast track.

Some trade analysts have begun to ask whether fast track has outlived its usefulness. It had two original purposes. One was to ease the approval of a trade agreement by an act of Congress. The other was to implement any new commitments stemming from an agreement. Fast track is not essential for either purpose. But it remains desirable. It is hard to imagine how the United States could have entered into either the World Trade Organization or Nafta without fast track.

Gaining a consensus to renew fast track will require making procedural changes. A recurrent complaint is that the president has too much leeway in drafting legislation. In order to garner votes in Congress, presidents have added provisions to implementing legislation beyond what is required by the trade agreement. One potential procedural reform, recently endorsed by Sen. Richard Lugar, is to keep fast track bills "clean." This could be done by limiting implementing legislation to provisions that are "necessary." The current rule allows provisions that are "necessary or appropriate."

Another problem is the use of fast track to increase federal revenue. This is done in order to "pay for" trade agreements to keep them deficit-neutral. For example, the GATT legislation included contro-

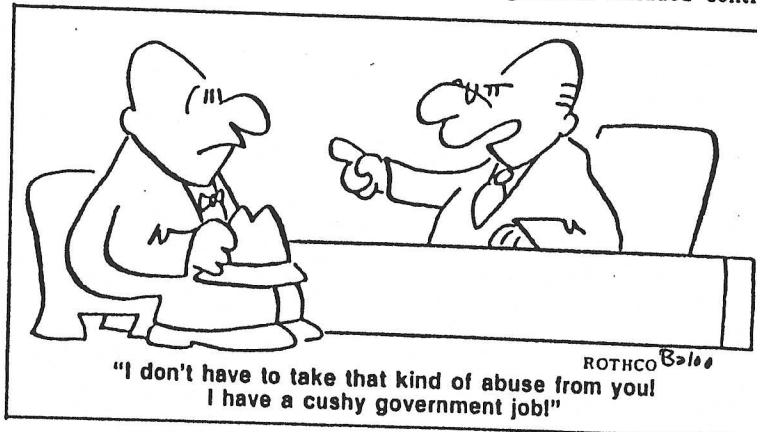
versial asset sales and tax changes regarding pensions. Because of fast track, such provisions are insulated from normal congressional review.

The best solution is to exempt international trade agreements from budget rules that require tariff cuts to be offset in the implementing legislation. Instead, such agreements should be paid for in the next annual budget legislation following the approval of any trade agreement. Some members of Congress have suggested an alternative reform — namely, that the House or Senate be permitted to amend the financing portion of implementing legislation. Yet amendments and fast track don't mix. The problem is that there is no way to assure that the House and the Senate pass the same amendment.

The House Ways and Means committee has not yet held hearings on fast track because it has been busy implementing the "Contract With America." For some reason, free trade was not included in the deregulation-oriented Contract. One hopes the committee can catch up on trade issues before the momentum of the Asian-Pacific and Western Hemisphere summits dissipates.

In 1974, the Democrats controlled both House and Senate, yet gave fast track authority to President Ford. In 1988, Democrats again controlled both House and Senate, yet gave fast track to President Reagan. In 1995, it appears that some Republicans in Congress may be delaying new trade authority to weaken President Clinton in one of his few areas of repeated success. Such partisan maneuvering aggravates the growing doubts around the world about America's capacity for leadership. It is time for the Republican Congress to put U.S. trade policy back on track.

Steve Charnovitz writes often on business, trade and the environment.



"I don't have to take that kind of abuse from you!  
I have a cushy government job!"