

## EDITORIAL/OPINION

# Reinventing the Commerce Dept.

By STEVE CHARNOVITZ

The new budget resolution approved by Congress "assumes" the Commerce Department will be dismantled. Although non-binding, the resolution shows what the Republican Congress thinks of the department. In fact, the prospect of eliminating Commerce has renewed the perennial issue of how to organize the government's trade, technology and statistical functions.

By law, Commerce's duties are to "foster, promote, and develop" the foreign and domestic commerce of the United States. The department does this through regulations, subsidies, standards, information and industrial property rights. Commerce has always been a hodgepodge of functions, but probably seemed more coherent in the era when it was responsible for maritime regulation. Many foreign governments assign their ministries of industry or commerce a greater regulatory role than the U.S. Cabinet agency now has.

Since most of the functions performed by Commerce are widely regarded as necessary, the current debate is largely about organizational boxes. Many Republicans want to eliminate a Cabinet department for symbolic reasons. That's okay as long as it leads to a reorganization that is more effective.

One constructive reform might be to return to the department's original structure when it was created in 1903, namely a Department of Commerce and Labor. Employers and workers have a common interest in improving training, raising industrial standards and boosting technology, so combining the two departments could lead to new efficiencies. President Lyndon Johnson proposed such a merger in 1967, but business and labor joined in defeating this idea in order to maintain their separate voices at the Cabinet table.

A more popular option is to replace Commerce with a Department of Trade that would absorb the Office of the U.S. Trade Representative. While it would be useful for USTR to have greater analytical capacity, it would be a mistake to assign it operational duties, such as determining when other countries are dumping goods in the United States.

Free traders especially should be wary of creating a more powerful trade agency. Combining Commerce and USTR could engender a witches' brew of mercantilism, managed trade and aggressive unilateralism.

Dismantling the department would provide the opportunity to establish a new federal statis-

tical agency that could amalgamate the Census Bureau, the Bureau of Economic Analysis and the Bureau of Labor Statistics. That could improve harmonization of data. But the chief deficiency of federal statistical programs is not organizational, but rather severe underfunding.

Reducing the independence of the Commissioner of Labor Statistics, who now has a four-year term, would be a bad idea. Only a few months ago, Speaker Newt Gingrich showed the potential for political intimidation when he warned the economists at BLS that the House might "zero them out" unless they altered their method of calculating changes in the cost of living.

The leading congressional advocate of dismantling Commerce is freshman Rep. Dick Chrysler. His bill shows the dangers of making organizational decisions through the legislative process. Chrysler would transfer the Census Bureau to the Treasury Department, the National Institute of Standards to the National Science Foundation and the Bureau of Economic Analysis to the Federal Reserve System. Those are square pegs in round holes.

Organization is a quintessential executive function. This was recognized at the beginning of the 20th century when the federal bureaucracy began to grow. As early as the Wilson administration, the Congress delegated reorganization

authority to the president. All presidents from Hoover to Reagan (except Ford) had reorganization authority, subject to review and legislative veto by the Congress. This authority lapsed early in the Reagan administration, and then fell victim to the Supreme Court decision outlawing the legislative veto. President Clinton could probably have gotten it renewed, but never asked.

The significance of the demise of reorganization authority should not be underestimated. In the past decade, American corporations have constantly undergone restructuring. Yet the CEOs of the federal government have lacked the power to make significant organizational changes. Imagine what ATT or IBM would look like if locked into its organization chart of 1984.

A few days ago, when British Prime Minister John Major decided to abolish the U.K. Department of Employment, he was able to do so without consultation. The U.S. Congress would never give the president that much flexibility. But the Congress should grant new organization authority, subject to legislative approval via a fast-track process. It is hypocritical for congressional Republicans to bash the bloated, disorganized federal bureaucracy at the same time they withhold the basic authority a manager needs to make improvements.

If congressional leaders yearn to correct misaligned or duplicative functions, there are plenty of organizational problems in the Congress needing attention. For example, the Senate has four committees overseeing trade promotion. The House has six committees overseeing environment and natural resources. There is too much overlap in the congressional budget, authorization and appropriation processes. The "personal" staffs of members of Congress engage in many tasks beyond legitimate legislative work.

The current Department of Commerce is not the ideal model for organizing governmental functions such as standards, technology, innovation, trade promotion, data collection and fisheries management. But Commerce is just one example of the disorganization suffered throughout the federal government. Instead of dismantling Commerce in an amateurish fashion, the Congress should empower the president to reorganize the entire executive branch. As Speaker Sam Rayburn was fond of saying, "Any mule can kick a barn down, but it takes a carpenter to build one."

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

