

EDITORIAL/OPINION

The Trade-Blind Congress of '95

By STEVE CHARNOVITZ

The curtain has dropped on the first session of the 104th Congress. It was a disappointing performance. No program to balance the budget was enacted into law. No major economic reforms were achieved. Even worse, the Congress adjourned before finishing the annual appropriations. Until 1995, no Congress in American history had ever failed to accomplish that core responsibility.

Of course, the Congress was faced with many intractable problems — like the budget, Medicare and welfare. But other pressing issues, such as America's trade policy, were not that hard. The Republican leadership could easily have taken positive steps to promote trade liberalization. Instead, it hid from that challenge.

The most disappointing failure was the unwillingness of Congress to grant new "fast-track" authority. Fast track enables a president to submit trade agreements to Congress for a guaranteed vote. Without fast track, U.S. trade officials have been hobbled in talks with Chile, other Latin American countries, the Asia-Pacific region, the trans-Atlantic region and the West Bank.

The cost of this negotiating slowdown is a lost opportunity for boosting the U.S. standard of living. Although some Republicans have tried to excuse their inaction on fast track by blaming U.S. Trade Representative Mickey Kantor for being "stubborn," that arguing rings hollow.

It is true that Mr. Kantor criticized the Ways and Means Committee's fast-track bill as "not acceptable." But Mr. Kantor's posturing is immaterial. Since fast track originates as a rule of the House and Senate, a renewal of this authority is not contingent on approval by the administration. President Clinton is eager to obtain new fast-track authority. But if he didn't want a fast-track rule, Congress could grant it anyway, and the president could not veto it.

Why did Congress do nothing on fast track? There are three possible reasons. First, it could be that House Ways and Means Chairman Bill Archer is truly in favor of reviving fast track, as he often indicates, but just does not have the legislative skill or political clout to get that accomplished. There is support for this explanation in the shrunken role of the Ways and Means chairman in the recent budget and tax debates.

A second explanation is that the Republicans made a political decision to withhold trade negotiating authority from President Clinton in order to deny him any further successes in international economic policy. There is evidence for such a political motive in the highly partisan manner that Rep. Archer and Trade Subcommittee Chairman Philip Crane handled trade issues within Ways and Means. Previous chairmen such as Dan Rostenkowski and Sam Gibbons sought to maintain a bipartisan trade policy.

A third explanation is that Republicans are sinking back into their protectionist past. It is sometimes forgotten that for its first 115 years, the Republican Party was more protectionist than the Democratic Par-

ty. Over the last several months, presidential candidate Pat Buchanan has called the GOP back to its roots. Mr. Buchanan argues that international trade undermines the American economy and our community values. These powerful themes have caught the attention of ambitious House freshmen.

If fast track were the only trade policy omission in 1995, one could perhaps dismiss the Buchanan factor. But at numerous decision points throughout the year, the congressional leadership took the more protectionist road. The totality of failures suggests that many Republicans have a weak stomach when it comes to trade.

One item that provoked considerable queasiness was the international agreement to discipline shipbuilding subsidies, a pact that took some five years to negotiate. The necessary implementing legislation is now stalled in House committees. Another failure was the inability of Congress to renew the Generalized System of Preferences program, which grants goods from certain countries easier access to the United States. Failing to renew GSP has the effect of raising tariffs

on many consumer goods.

The only bright spot was the repeal of the ban on oil exports from Alaska. But even there the Congress could not deliver pure liberalization. Instead, the new law requires such exports to be on U.S. ships.

It would have been a simple matter for the Congress to provide constructive legislation on these and other trade issues. But no one is offering any forward-looking leadership on trade. Senate Majority Leader Bob Dole is perhaps the worst offender. Seemingly, his interest in world commerce does not extend beyond managed trade in bananas and the establishment of inappropriate mechanisms to review panel reports of the World Trade Organization. A few weeks ago, Sen. Dole told the Senate, "We are choking on new trade agreements."

The quality of trade leadership in the House is no better. Although Speaker Newt Gingrich styles himself a student of the rise and fall of civilizations, he evinces no recognition of the influential role of trade. Six months ago, Mr. Gingrich suggested that all imported automobiles from Japan be routed through Seattle, for examination by a team of seven inspectors, one-half of whom would be on vacation. After being criticized, he backed off.

As 1995 ends, the U.S. Trade Representative not only lacks fast track but also lacks a trade staff. They are all on involuntary vacation, along with thousands of other federal workers who process passports, promote exports and investigate foreign subsidies. Whether the Republican leadership is being seduced by the sirens of protectionism, or is just too busy with other agendas to care about the world economy, it seems an inescapable conclusion that in its initial year, the Gingrich-Dole legislature stands out as the most trade-blind Congress in decades.

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