

Getting Hemispheric Trade Right

By STEVE CHARNOVITZ

"At no time since the foundation of this Government has there been a deeper conviction of the advisability of knitting closely the relations of the United States to the large family of independent nations which has grown up on the American continent."

So spoke U.S. Secretary of State F.T. Frelinghuysen in 1884 to the new U.S. commission established to explore commercial relations with Latin America. Following a favorable commission report, the First Pan American Conference was held in Washington in 1889 to consider a customs union, an alliance in which tariffs among member nations are eliminated and common external tariffs are set.

But the conference decided a customs union was "premature." Instead it recommended a series of reciprocal trade agreements. Then-Secretary of State James G. Blaine asked Congress to aid trade talks by granting authority to cut tariffs. Instead, Congress granted authority to increase tariffs in order to pry open South American markets.

Freer trade has been a recurrent theme in subsequent Pan American talks. A protocol to the charter of the Organization of American States called on members "to accelerate the integration process, with a view to establishing a Latin American common market in the shortest possible time." That was in 1967.

The newest chapter in Western Hemisphere economic relations will be written at the Americas Summit in Miami on Dec. 9-11. This will be

the most widely attended inter-American conference. It will include all of Central and South America, the Caribbean nations except Cuba and, for the first time, Canada. The last Americas conference to include heads-of-state was attended by President Johnson.

The Miami summit offers an opportunity to launch negotiations for a Western Hemisphere free trade pact. The consummation of the Uruguay Round world trade agreement is a logical moment to begin new trade talks.

Unfortunately, President Clinton lacks trade negotiating authority. It expired last year. For this and perhaps other reasons, there is a chance summiteers may talk a lot about the advantages of free trade without actually doing much to obtain them.

In launching this summit, the Clinton administration intended that it would cover a broad range of issues involving "sustainable development." All of the countries agree trade and investment matters should be coordinated. But there is less agreement on environmental and social issues.

It is entirely appropriate to make free trade the centerpiece of the Miami conference. But the conference should have more than just a commercial dimension. Sidelining the natural and human resource issues would be quite reactionary given the long history of inter-American cooperation on these problems.

Environmental issues have been discussed at Pan American conferences for several decades. The most notable achievement was the 1940 treaty on Nature Protection and

Wild Life Preservation in the Western Hemisphere. The parties agreed to explore the creation of wilderness reserves and to control hunting and wildlife trade. In 1948, a conference was held on conservation of renewable resources. It declared that "the catastrophe that threatens civilization results from man's failure to live in harmony with the principles that govern his environment."

Labor issues also have been considered, including collective bargaining, training and workplace conditions. Not all of the ensuing ideas were well considered. For example, the Mexico City conference of 1945 proposed multi-country agreements under which "producers are protected against competition from products originating in areas wherein real wages are unduly low." But most of the other labor and employment proposals were thoughtful and constructive.

The Pan American process gave early attention to social problems. The first conference on children was held in 1916. A resolution on women's rights was approved in 1938. Many of the declarations appear more timely now than they were then. For example, the 1945 conference declared that "the family, as a social unit, is a fundamental institution, for whose moral stability, economic improvement and social welfare the State should take the necessary measures."

If environment, labor, and social issues were viewed as proper topics for regional coordination by our ancestors, they can hardly be less relevant today. The Miami conference ought to develop a blueprint for im-

proving public policies on these issues. Our nations could learn a lot from each other.

While the North American Free Trade Agreement provides a good model for trade cooperation, the Nafta side agreements provide a poor model for environmental and labor cooperation.

Their fixation on enforcement of a nation's current laws (even bad ones) and on the use of trade sanctions is understandably worrisome. There is a danger the side agreements may chill new talks on free trade. To prevent that, the Clinton administration should announce that joining the side agreements is not a prerequisite to joining Nafta.

The best outcome for the summit would be approval of a timetable for regional trade talks. There is no reason why greater economic integration throughout Latin America should be postponed to the next millennium. The summit also should aim to agree on regional programs to strengthen economic infrastructure and to reduce stress on our ecosystems.

If the 34 democratically elected summiteers cannot agree on an "Action Plan" with bold action, they should at least avoid issuing a platitudinous declaration that mimics those of earlier meetings. Instead, they should set an early date for a new summit, do their political homework and return prepared to make real progress.

Steve Charnovitz writes often on business, trade and environmental issues.