

# FINANCIAL TIMES

## COMMENT & ANALYSIS

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# The wrong approach to trade

Republican attempts to exclude environmental and labour standards from a Fast Track bill are misguided, says Charles Rangel

House Republican leaders are on a midnight train to nowhere if they try to pass a Fast Track trade authority bill supported largely by Republicans. This approach endangers a rare opportunity to build a broad bipartisan consensus in support of tearing down trade barriers in a way that would create jobs and raise living standards around the world.

I, and many Democrats, would support legislation granting President George W. Bush enhanced trade negotiating authority provided it addressed effectively the key issues of labour, the environment and the role of the US Congress.

Some Bush administration officials insist that it is impossible to expand trade and properly deal with these issues. They have accused Democrats of being "protectionists", "isolationists" and even "xenophobes" for not swallowing their state Fast Track approach.

Undeterred, Democrats in the US House have introduced a bill allowing the president to seek new trade opportunities while setting responsible benchmarks for labour and environmental standards. Our bill ensures that the basic international standards agreed by the vast majority of the 175 International Labour Organisation nations are included in regional free trade agreements, such as the Free Trade Area of the Americas. These ILO standards include bans on forced labour and discrimination, regulations on child labour and recognition of workers' rights to bargain collectively.

These standards are not "American" or "western". Indeed, many developing nations helped formulate them. Yet some may be suspicious of US motives. That is why, rather than calling for labour standards in the World Trade Organisation negotiations, our bill calls for the establishment of a "Working Group" on trade



### PERSONAL VIEW

and labour issues. The US would show poor countries that implementing core labour standards is not a disguised barrier to trade with them but is essential to better living standards for all.

On the environment, our bill ensures that foreign investors in the US have no greater rights than US investors. It also takes steps to integrate international environmental agreements, known as MEAs, with trade agreements while ensuring that MEAs are not used to justify trade restrictions.

Labour and environmental issues would have to be tackled in any Fast Track bill to obtain broad bipartisan support, because they are vital for a level playing field for trade. No country should be allowed to gain trade advantages by ducking these stan-

dards, just as they cannot ignore intellectual property rights or international food safety rules.

Those who describe labour and environment as merely "social issues" do not understand Democrats' concerns. The truth is that inclusion of labour and environmental issues has real commercial significance for the terms of trade. US negotiators should help poor countries achieve these standards via technical assistance, transition periods and market access incentives such as accelerated tariff cuts. Republican rhetoric mentions such encouragements but the Bush administration cuts in half funding for key assistance programmes.

A Fast Track omitting these issues spells danger for any agreement negotiated under it. This year, Trent

Lott, the Republican leader in the Senate, among others, asked for relief for Mississippi catfishermen competing with Vietnamese fish farmed using "cheap labour and very loose environmental regulations". Many other Fast Track supporters might not support specific trade agreements if they felt their constituents were losing out because of low labour or environmental standards.

Many of us also want to ensure that Fast Track does not give short shrift to the role of Congress. The current bill merely provides for more "consultations" with Congress. Nearly identical language in previous bills did not ensure that Bill Clinton, Mr Bush or any previous president would listen to anything in these so-called consultations.

When international trade directly affects the lives and livelihoods of an increasing number of Americans, Congress cannot be confined to the back bench. The president is the one negotiator

but Congress must have meaningful input. Indeed, the Constitution gives it the responsibility to "regulate commerce with foreign nations".

Democrats want Fast Track to include a congressional review of Fast Track trade negotiations once every two years to ensure that a US president has the incentive to listen to Congress's concerns. Far from weakening the president's hand, Congress's ongoing input would enhance his negotiating clout because it would ensure that, after years of negotiations, the end product would almost certainly pass with broad bipartisan support. So far, Republicans have attempted a short cut, which has led only to a dead end. If Mr Bush wants Congress to pass meaningful Fast Track authority, he knows what train to take.

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