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H.R. 3019: UNDERMINING TRADE PROMOTION AUTHORITY

SARA J. FITZGERALD

Despite being billed as “Comprehensive Trade Negotiating Authority” legislation, H.R. 3019, introduced by Representative Charles Rangel (D-NY), is not a trade promotion authority (TPA) bill. In reality, it is designed to appeal to special interests and would actually inhibit the ability of the President to negotiate trade agreements. The amount of congressional oversight required in H.R. 3019, for example, goes far beyond reasonable consultation. H.R. 3019 is also likely to be offered by Representative Sander Levin (D-MI) as the basis for an amendment in the nature of a substitute for H.R. 3005, sponsored by Representative William Thomas (R-CA).

A bill to grant TPA should simply give the President the authority to negotiate agreements, confer with Congress on the ongoing negotiations, and then present Congress with a trade agreement for an up-or-down vote. Currently, President George W. Bush does not have TPA; thus, any agreement that he negotiates could be drastically amended by Congress, whereas with TPA, Congress may only vote up or down. Without TPA, countries are unwilling to bargain with the United States, since such agreements could be debated by Congress for months only to be ripped apart.

Although the goal of a TPA bill should be to obtain more free trade agreements, H.R. 3019, if enacted, would dominate every aspect of future

trade agreements. One size does not fit all when it comes to negotiating trade agreements. Many countries will not sign an agreement that includes restrictions on labor and the environment, for example.

MANDATING LABOR AND THE ENVIRONMENT

Developing countries view labor and environment requirements as a protectionist tool. While the Thomas bill seeks commitment by countries to enforce their own existing labor laws, the Rangel bill seeks to “achieve a framework of enforceable multilateral rules as soon as practicable that leads to the adoption and enforcement of core, internationally recognized labor standards.” H.R. 3005 would merely raise labor and the environment as negotiating objectives, but H.R. 3019 would force certain labor and environmental standards onto future trading partners. The business of trade should be about opening markets, not imposing

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bureaucratic rules that dictate how one's trading partners should run their countries. That would violate the sovereignty of nations.

Studies have shown that countries that open their markets actually spend more money on the environment as a result of gains through trade. As Brett Schaefer and Ana Eiras of The Heritage Foundation have reported, "Fighting to impose environmental regulations on U.S. trading partners is a self-defeating strategy that undermines prospects for removing barriers to trade and fostering economic growth necessary for countries to adopt and enforce environmental protection."

The same applies to labor standards. Overall, opening markets will not increase human rights violations; it will help bring them to light and encourage responsible officials to address them. According to a Heritage Foundation study by Aaron Schavey, "research on developing nations has shown that there is a lower incidence of child labor in countries with higher per-capita income." Furthermore, the U.S. Department of Commerce reports that jobs tied to exports earn 13 percent to 18 percent more. Trade brings prosperity and opportunity to workers.

CONGRESSIONAL OVERSIGHT

Congress rightly expects to be informed and consulted in the course of ongoing trade negotiations. However, Congress's role should not infringe on the authority of the President through Ambassador Robert Zoellick to negotiate the specifics of trade agreements. Of the two options before Congress, the Rangel legislation is by far the less desirable because it would impose onerous constraints upon the Administration that would undermine the very purpose of TPA.

Both the Thomas and Rangel bills, however, would establish congressional oversight groups to serve as official advisers to the U.S. delegation. In addition, however, the Rangel bill includes a provision by which Congress, through a resolution disapproving the negotiations on a certain agreement, could eliminate trade promotion authority for that agreement before it is subjected to a vote.

Under this provision, in other words, if Congress disapproved of a certain agreement, it would be

amended rather than subjected to a straight up-or-down vote. This is the very reason why many countries are reluctant to negotiate with the U.S. This legislation does not give the President freedom to negotiate agreements; rather, it subjects him to the shifting whims of Congress. Trade promotion authority is intended to give the President more room to negotiate; H.R. 3019, on the other hand, would tie the President's hands.

TPA IS CRUCIAL

In a time of economic recession, the President needs the ability to negotiate free trade agreements that will maintain and expand the nation's prosperity. Past trade agreements have greatly benefited America. One in three U.S. farm acres, for example, is planted for export, and 25 percent of gross farm income is derived from exports. The average global tariff on agricultural products is 62 percent. And agriculture is just one example of the many industries that have benefited from past trade agreements.

To continue this pattern of prosperity through trade, new trade agreements must be forged, and this makes the granting of trade promotion authority imperative. As European Commissioner for Trade Pascal Lamy has stated, "If Trade Promotion Authority is denied by Congress, it would be hard for the U.S. Administration to establish itself as a credible trading partner." There are 131 trade and investment agreements in the world, and the U.S. is party to only three of them. Clearly, the U.S. is far behind and will remain so if the President is not given the leeway that he needs to negotiate new agreements.

Trade promotion authority legislation that is ridden with burdensome regulation will only limit the number of trade agreements that the U.S. will enter. The policies embodied in H.R. 3019 will not help America; nor will they help the United States reach out to future trading partners. Instead, H.R. 3019 sends a clear message to the world that the U.S. will continue to protect its markets rather than open them.

—Sara J. Fitzgerald is a Trade Policy Analyst in the Center for International Trade and Economics at The Heritage Foundation.