iiIssues

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Seven Years **of limiting international markets to American industries have had adverse effects on the overall domestic economy.**

Increased Free Trade **can only stand to benefit America's consumers, workers, farmers, and industrial bases.**

The United States **should resume its position as the world leader for free and fair trade by empowering its negotiators with TPA.**

107th Congress
U.S. House of Representatives
H.R. 2149
Trade Promotion Authority Act of 2001

***Date of Introduction*: 6/13/2001**
***Last Action Date*: 6/13/2001**
Referred to House Rules Committee
and Ways and Means Committee
***Sponsor*: Representative Philip M. Crane (R-IL)**
***Total Co-Sponsors*: 100**

***Synopsis*:**
Sets forth the overall trade negotiating objectives of the United States for trade agreements (generally similar to the objectives of the Omnibus Trade and Competitiveness Act of 1988 (OTCA)), including to: (1) further strengthen the system of international trading disciplines and procedures, including dispute settlement; and (2) foster economic growth, raise living standards, and promote full employment in the United States and to enhance the global economy.

Trade Promotion Authority: Putting America back on the "Fast Track"

In the debate surrounding just how we in America can jump start our lagging economy, media coverage has been surprisingly light on Trade Promotion Authority, or "Fast Track" authority. President Bush and a variety of Republicans and moderate Democrats are looking to push through with the new version of Fast Track authority in H.R. 2149, introduced by Rep. Philip Crane in June. The bill seeks to reestablish Trade Promotion Authority (TPA) for the President, which was not renewed by Congress in 1994. Since that time, America has been falling behind its competitors in the global marketplace. Without approval and passage of H.R. 2149, known as the Trade Promotion Authority Act of 2001, foreign markets for U.S. industry, agriculture, and services will continue to disappear.

Trade Promotion Authority is the process by which Congress gives the President and/or the U.S. Trade Representative the authority to enter into trade negotiations or lower U.S. export barriers. Once the negotiating process is completed, the enabling legislation is submitted to Congress for approval or disapproval without any amendments within a 90-day session. The 90-day process is normally not needed as constant consultation is made between the Administration and Congress in order to bring a potentially successful agreement to the floor.

The absence of trade negotiating authority will continue to hamper the U.S. economy and diminish its role in the global market. One of the many advantages to TPA is that it allows the U.S. to be involved in more multilateral and regional trade agreements. Foreign governments need the assurance that U.S. presidential representatives speak on behalf of the entire United States when negotiating terms. Lack of confidence in whether the terms of any trade agreement made with the U.S. might be altered or deleted will continue to close international opportunities for expanding markets. According to the World Trade Organization, nearly as many free trade agreements have gone into effect since 1994 (when TPA was not renewed) as were signed in the previous 47-year history of the world trading system. The United States was party to none of these agreements. There is no doubt that seven years of limiting international markets to American industries have had adverse effects on the overall domestic economy.

And in the meantime, our competitors are moving forward with their negotiations. The European Union now has free trade agreements (FTAs) with 27 countries. 20 of these have been signed since 1990. The EU has 15 more FTAs on its active negotiating agenda. Last year alone, the EU reached new free trade agreements with South Africa, Mexico, and Morocco. The EU announced earlier this year their intention to negotiate a Mediterranean-wide free trade area. On June 25, 2001, Egypt signed an agreement with the EU to phase out trade barriers over a 12-year period. EU trade with Latin America has also increased to the detriment of the U.S. Last year was the first time in history that the EU exported more to South America than the United States.

In Latin America, the MERCOSUR customs union (Argentina, Brazil, Paraguay, and Uruguay) is negotiating an FTA with the EU. In September, MERCOSUR agreed to establish a customs union with the Andean Community (Peru, Venezuela, Columbia, Ecuador, and Bolivia). Mexico now has FTAs with 28 countries, almost all of which have been signed since 1990. In November 2000, Mexico reached a trade agreement with EFTA (Iceland, Liechtenstein, Norway, and Switzerland).

Canada has an FTA with Chile and has recently completed an agreement with Costa Rica. The Canadian-Chile FTA is a good example of how not having trade promotion authority can harm American business. U.S. farmers, telecommunications and manufacturing companies are already losing sales in Chile due to the FTA, because it gives Canadian companies and their workers a 9% tariff advantage over American exporters and workers.

Increased free trade can only stand to benefit America's consumers, workers, farmers, and industrial bases. The maneuvering of special interest groups are keeping the American global economy on hold, and other countries that have free trade negotiation authority are filling the void. It is imperative that U.S. legislators come to a compromise over the details of the TPA in time for the 4th WTO Ministerial Conference to be held in Doha, Qatar on November 9-13 2001. All of America's major trading partners have extended this authority to their negotiators; failure to pass TPA will diminish U.S. credibility during these important trade deliberations. How can the U.S. expect to negotiate successfully from a disadvantageous position? The global economy is expanding; and the U.S. will be left behind with an ailing economy without TPA. After all, it has been the U.S. that has led the way over the past half century in establishing free markets according to the rule of law. The U.S. should resume its position as the world leader for free and fair trade by empowering its negotiators via Trade Promotion Authority.

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