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REPORT
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# WITHDRAWING THE APPROVAL OF THE CONGRESS FROM THE AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

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JUNE 12, 2000.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. ARCHER, from the Committee on Ways and Means, submitted the following

## ADVERSE REPORT

together with

## ADDITIONAL VIEWS

[To accompany H.J. Res. 90]

[Including Cost Estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the joint resolution (H.J. Res. 90) withdrawing the approval of the United States from the Agreement establishing the World Trade Organization, having considered the same, report unfavorably thereon without amendment and recommend that the joint resolution do not pass.

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# I. INTRODUCTION

## A. PURPOSE AND SUMMARY

H.J. Res. 90 would withdraw the approval of the Congress from the Agreement establishing the World Trade Organization (WTO).

## B. BACKGROUND

*The five-year review of U.S. participation in the WTO*

Sections 124–125 of the Uruguay Round Agreements Act (URAA) (P.L. 103–465) require the President to submit a special report on U.S. participation in the WTO every five years from the date the United States first joined the WTO. According to the Ways and Means Committee Report on the URAA, "The purpose of this provision is to provide an opportunity for Congress to evaluate the transition of the GATT to the WTO and to assess periodically whether continued membership in this organization is in the best interest of the United States."

Congress received the first of the five-year WTO reports on March 2, 2000. Chapter II of the "2000 Trade Policy Agenda and 1999 Annual Report of the President's Trade Agreements Program" is the President's review of the WTO. The review discusses accomplishments that took place during the last five years, including: (1) expanded market access; (2) protection for intellectual property rights; (3) development of a sound and effective system to settle disputes; (4) expansion of the rule of law; (5) conclusion of historic agreements governing financial services, basic telecommunications services, and information technology; (6) progress on the so-called "built-in" agenda to continue to liberalize agriculture and services; (7) progress on negotiations on electronic commerce; (8) growth in WTO membership from 119 nations in 1995 to 135 in 1999; and (9) the significant progress toward accession of China and Taiwan, two countries comprising over 21 percent of the world's population. Issues related to the future operation of the WTO, which are discussed in the report, include moving forward with the built-in agenda on agriculture and services and addressing new issues such as biotechnology, electronic commerce, trade and labor, and trade and environmental protection.

Following receipt of the report, any Member of either House of Congress may introduce a joint resolution to withdraw Congressional approval of the Agreement establishing the WTO. Congress then has 90 session days from receipt of the report to act on the joint resolution. The resolution is privileged and cannot be amended. The Committee on Ways and Means has 45 session days after introduction of the resolution within which to act on it or be automatically discharged.

H.J. Res. 90, a joint resolution which would withdraw Congressional approval from the Agreement establishing the WTO, was introduced March 6, 2000, by Rep. Ron Paul (R–TX).

If the resolution is passed and vetoed by the President, each House may vote to override the veto before the end of the 90-day period or within 15 session days from the date on which Congress receives the President's veto message, whichever is later.

*The GATT/WTO system of multilateral trade rules*

Because of its strength as a trading nation and the openness of its market, the United States has long sought to establish an international trading system with a comprehensive set of enforceable rules. The Uruguay Round was the eighth round or series of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT). These negotiations to expand trade, which date back to the establishment of the GATT in 1948, were a response to the Great Depression and the political upheaval and conflicts of the 1930s, which deepened as a result of protectionist policies such as the Smoot-Hawley Tariff. Work under the GATT system aimed at raising living standards and promoting international economic growth through the opening of world markets has spanned six decades.

The Uruguay Round Trade Agreements reached at the end of 1993 were noteworthy in that they greatly expanded coverage of GATT rules beyond manufactured goods trade to include agricultural trade, services trade, trade-related investment measures, trade-related intellectual property rights, and textiles. The most visible accomplishment of this multilateral trade round was to establish the WTO to administer the GATT agreements and to settle disputes among WTO members. The strengthened dispute settlement system was a major goal of the United States going into the Uruguay Round trade negotiations, since the enforcement mechanism under the GATT was highly susceptible to delays and stonewalling by countries having political or other difficulties in bringing their trade measures into compliance with GATT rulings.

### C. LEGISLATIVE HISTORY

*Committee action*

H.J. Res. 90 was introduced on March 6, 2000, by Representative Ron Paul and was referred to the Committee on Ways and Means. On June 8, 2000, the Committee ordered adversely reported H.J. Res. 90 to the House of Representative by a recorded vote of 35–0.

*Legislative hearing and oversight*

On February 8, 2000, the Trade Subcommittee held a hearing on the outcome of the World Trade Organization (WTO) Ministerial held in Seattle. On March 30, 2000, the Committee on Ways and Means held a hearing on the future of the WTO. At these hearings, Members of Congress, Minnesota Governor Jesse Ventura, former U.S. Trade Representative Clayton Yeuter, and representatives from the business community expressed their views on the United States' involvement in the WTO. Also, Chairman Crane led delegations from the Committee to the WTO's First Ministerial Conference in Singapore in December of 1996 and the Third Ministerial Conference in Seattle in December of 1999.

## II. EXPLANATION OF THE RESOLUTION

*Present law*

Under WTO rules, the United States may withdraw from the WTO by exercising the procedures set forth in Article XV of the

WTO Agreement, which requires six-months notice to the WTO Director General.

Section 125(b) of the Uruguay Round Agreements Act (P.L. 103–465), which was approved by the House on November 29, 1994, establishes a procedure under which Congress may withdraw its approval of the WTO Agreement contained in section 101(a) of the Act. Sections 124–125 of the Uruguay Round Agreements Act (URAA) require the President to submit a special report on U.S. participation in the WTO every five years from the date the United States first joined the WTO. Following receipt of the report, any member of either the House or Senate may introduce a joint resolution to withdraw Congressional approval of the WTO Agreement. Congress then has 90 session days from receipt of the report to act on the resolution. The resolution is privileged and cannot be amended.

*Explanation of the resolution*

House Joint Resolution 90 states that Congress withdraws its approval, provided under section 101(a) of the Uruguay Round Agreements Act, of the WTO Agreement Establishing the World Trade Organization entered into on April 15, 1994.

While enactment of a resolution withdrawing Congressional approval under section 125 would call into question the future of U.S. participation in the WTO, it does not expressly provide for the President to withdraw from the WTO. Nor would the resolution put the United States in violation of its WTO obligations.

*Reasons for change*

The Committee reports Mr. Paul's resolution to withdraw Congressional approval of the Agreement Establishing the World Trade Organization adversely, because it concurs with the results of the President's five-year review of the WTO that U.S. participation in the global trading system is vital to "America's long term economic and strategic interests, continued prosperity and strengthening the rule of law around the world." While the WTO is a young institution that continues to evolve by a consensus process in response to concerns of Member countries, the Committee believes that the benefits of U.S. participation are clear and compelling.

The Uruguay Round Trade Agreements are the most comprehensive in history. Consistent with the Committee's expectation when it considered legislation to implement these agreements in 1994, they have promoted economic growth, job creation, and an improved standard of living for Americans. By lowering tariffs and a wide range of other barriers to international trade and investment, they have led to increased levels of world and U.S. output, trade, real income, savings, investment, and consumption.

The WTO serves U.S. interests through three major functions. First, WTO Member Governments agree on multilateral rules for trade, which support a stable and predictable basis for commercial decision-making that can by relied on by U.S. farmers, workers, and businesses. With only 4 percent of the world's population, and nearly four-fifths of the world's consumers living outside United States borders, Americans need the freedom to compete in foreign markets in order to generate jobs and economic growth at home. According to the Council of Economic Advisors, since 1994 approxi-

mately one-fifth of U.S. economic growth has been linked to an expanding export sector. It is well-known that export-related jobs are concentrated in high-skilled fields and generally pay 13–16% more than the national average. As the world's largest exporter, the United States is the country that gains the most from an open multilateral trading system.

Secondly, the United States has benefitted significantly from the new system established in the WTO for enforcement and the prompt resolution of trade disputes between member countries. This new system has eliminated many of the shortcomings of the earlier GATT system where the dispute resolution process could be blocked by member countries and often dragged out indefinitely. In the first five years of operation, WTO Dispute Settlement panels and the Appellate Body have become the most active and productive system for settling conflicts currently operating in the field of international law.

In general, the WTO dispute settlement process has proven to be a powerful instrument for reducing conflicts and bringing down barriers to U.S. exports. The United States has filed more complaints to date than any other WTO member and also participates actively as a third party in many other cases relevant to our commercial interests. The United States has prevailed in 25 of its 27 complaints acted on so far, either by successful settlement or panel victory. Furthermore, in many other instances the threat of litigation has led to a satisfactory outcome for the United States under the consultation procedures, without the need to invoke the formal panel process.

As an example, enforcement is particularly important in the area of intellectual property rights. Because WTO Member Governments have accepted landmark rules for protecting patents, copyrights, trademarks, and other forms of intellectual property, the WTO has afforded unprecedented protection to property rights associated with American research and innovation.

Of great concern to the Committee, there have been two instances where U.S. interests have been thwarted in the dispute settlement process, although the United States was victorious in the panel process. Specifically, the European Union has refused to come into compliance with WTO rulings against their import restrictions on bananas and hormone treated beef. The United States was able to invoke WTO rights to suspend trade concessions (impose trade retaliation) in an amount equivalent to the damage to the United States caused by the illegal practices. The Committee intends to continue its oversight on this matter. In addition, the Committee is concerned about the EU's challenge to the U.S. Foreign Sales Corporation system (FSC). The Committee disagrees strongly with the adverse panel and Appellate Body decisions and believes the FSC rules, negotiated with the EU in the early 1980s, fully meet WTO rules. Nevertheless, the Committee recognizes the decision and intends to work with the Administration to ensure that the United States is in full compliance with its obligations. While the Committee strongly supports the U.S. objective of achieving further reforms to the dispute settlement system by addressing instances of recalcitrance and opportunities for delay, there is no doubt that the new system is significantly improved, as compared to the inconclusive panel process under earlier GATT rules.

The third major function of the WTO is to provide a forum for ongoing negotiations to reduce trade barriers. In the five years since Congress approved the Uruguay Round Trade Agreements, WTO Members have concluded three new trade pacts, all of which allow Americans to capitalize on competitive strengths of our economy. Under the Information Technology Agreement, concluded in 1996, tariffs have been eliminated on $600 billion worth of trade including items such as semiconductors, computers, and network equipment. Concluded in 1997, the Agreement on Basic Telecommunications reduced costs in 95 percent of the global market for telecommunications. Also in 1997, the WTO completed significant negotiations governing trade in financial services covering $29.5 billion in global security assets, $38 trillion in global domestic bank lending, and $2.1 million in world wide insurance premiums.

Although the WTO Ministerial meeting, hosted by the United States in December 1999, failed to result in agreement to begin a new comprehensive round of WTO trade negotiations, Member Governments did succeed earlier this year in launching talks to reform further agriculture trade and to expand commitments from WTO Members with respect services trade. The Committee views both of these sectors as critical to U.S. economic growth. Agenda items supported by the Committee in relation to the future operation of the WTO include addressing new issues such as biotechnology and electronic commerce. The Committee also supports efforts to increase transparency in the WTO. In particular, the Committee believes that the dispute settlement process should be opened up by instituting the prompt public release of documents, public meetings of panels, and acceptance of amicus briefs.

With respect to the argument made by proponents of H.J. Res 90 that participation in the WTO threatens U.S. sovereignty, the Committee continues to give close consideration to this question, as it did when the Uruguay Round Agreements Act was first submitted for Congressional approval in 1994. It remains true that neither the WTO, nor its dispute settlement panels, can force a change in U.S. laws or regulations. The United States alone decides how to respond to panel decisions. The United States and all WTO Members retain the right to set the levels of environmental, health, and safety protection that they deem appropriate, even when such levels of protection are higher than those imposed by any other country. Generally, the WTO rules simply require that Members opt for less trade-restrictive measures if possible and avoid discriminating against foreign products in favor of domestic products. For the protection of U.S. exporters, the WTO stipulates that food safety measures should be based on sound science.

In the future, the Committee expects the WTO to remain fundamental to the formulation and execution of U.S. trade policy, with its rules and principles serving as a central guide for achieving new agreements to expand trade bilaterally, regionally, and multilaterally. While much remains to be done to improve the WTO, there is no doubt that it administers a system which ensures that when U.S. goods, agricultural products, and services are sent overseas, they receive more equitable treatment than would otherwise be the case. In the Committee's view, H.J. Res. 90 is dangerous and illogical, because it would isolate the United States from this system

and damage our leadership in the international economy, thereby undermining U.S. national economic and security interests.

## III. VOTES OF THE COMMITTEE

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee on Ways and Means in its consideration of the resolution, H.J. Res. 90.

### MOTION TO REPORT THE BILL

The resolution, H.J. Res. 90, was ordered adversely reported by a roll call vote of 35 yeas to 0 nays (with a quorum being present). The vote was as follows:

| Representatives | Yea | Nay | Present | Representatives | Yea | Nay | Present |
|---|---|---|---|---|---|---|---|
| Mr. Archer | X | | | Mr. Rangel | X | | |
| Mr. Crane | X | | | Mr. Stark | | | |
| Mr. Thomas | X | | | Mr. Matsui | X | | |
| Mr. Shaw | X | | | Mr. Coyne | X | | |
| Mrs. Johnson | X | | | Mr. Levin | X | | |
| Mr. Houghton | | | | Mr. Cardin | X | | |
| Mr. Herger | X | | | Mr. McDermott | X | | |
| Mr. McCrery | X | | | Mr. Kleczka | | | |
| Mr. Camp | X | | | Mr. Lewis (GA) | X | | |
| Mr. Ramstad | X | | | Mr. Neal | X | | |
| Mr. Nussle | X | | | Mr. McNulty | X | | |
| Mr. Johnson | X | | | Mr. Jefferson | X | | |
| Ms. Dunn | X | | | Mr. Tanner | X | | |
| Mr. Collins | X | | | Mr. Becerra | X | | |
| Mr. Portman | | | | Mrs. Thurman | X | | |
| Mr. English | X | | | Mr. Doggett | X | | |
| Mr. Watkins | X | | | | | | |
| Mr. Hayworth | X | | | | | | |
| Mr. Weller | X | | | | | | |
| Mr. Hulshof | X | | | | | | |
| Mr. McInnis | X | | | | | | |
| Mr. Lewis (KY) | X | | | | | | |
| Mr. Foley | X | | | | | | |

## IV. BUDGET EFFECTS

### A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

In compliance with clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the effects on the budget of this resolution, H.J. Res. 90 as reported: The Committee agrees with the estimate prepared by CBO which is included below.

### B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that enactment of H.J. Res. 90 would have no budgetary effect.

### C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, requiring a cost estimate prepared by

the Congressional Budget Office, the following report prepared by CBO is provided.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, June 12, 2000.*

Hon. BILL ARCHER,
*Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.J. Res. 90, a joint resolution withdrawing the approval of the United States from the agreement establishing the World Trade Organization.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Hester Grippando.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

## V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

### A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives (relating to oversight findings), the Committee, based on public hearing testimony and information from the Administration, concluded that it is appropriate and timely to consider the resolution as reported.

*H.J. Res. 90—A joint resolution withdrawing the approval of the United States from the agreement establishing the World Trade Organization*

CBO estimates that H.J. Res. 90 is likely to have no budgetary effect. The legislation would withdraw the U.S. Congress' approval of the World Trade Organization (WTO) agreement that was provided under section 101(a) of the implementing legislation (Public Law 103–412). If the United States were to withdraw from the WTO, possible changes in U.S. collections of tariff duties could have significant budgetary effects. However, the ultimate impact of the legislation is unclear. In particular, it is not clear that enactment of this resolution would require the United States to withdraw from the WTO—and even if it did, there might not be any changes in tariffs. Based on information from the Administration that suggests that the legislation would not affect the application of the WTO agreement to the United States, CBO concludes that enacting H.J. Res. 90 would probably have no budgetary impact.

H.J. Res. 90 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments. Withdrawing from the WTO would broaden the conditions under which the U.S. government could impose trade restrictions on imports. Trade restrictions—such as increased tariff duties or quota limits more restrictive than under current law—would impose private-sector mandates on importers of affected items. However, because the leg-

islation would probably not affect the application of the WTO agreement to the United States, CBO concludes that H.J. Res. 90 would likely impose no new private-sector mandates as defined in UMRA.

The CBO staff contacts are Hester Grippando (for federal costs), and Patrice Gordon (for private-sector impact). This estimate was approved by G. Thomas Woodward, Assistant Director for Tax Analysis, and Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

### B. SUMMARY OF FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, no oversight findings or recommendations have been submitted to the Committee by the Committee on Government Reform and Oversight with respect to the subject matter contained in H.J. Res. 90.

### C. CONSTITUTIONAL AUTHORITY STATEMENT

With respect to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, relating to Constitutional Authority, the Committee states that the Committee's action in reporting the bill is derived from Article 1 of the Constitution, Section 8 ("The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and to provide for * * * the general Welfare of the United States.")

## VII. ADDITIONAL VIEWS

We strongly support continued U.S. participation in the World Trade Organization (WTO), and disapprove of H.J. Res. 90, which would withdraw Congressional approval of the WTO Agreement.

The WTO, and its predecessor, the General Agreement on Tariffs and Trade (GATT), have opened foreign markets around the world to U.S. goods and services, creating new opportunities for U.S. businesses, farmers and workers. The United States, which has one of the most open and transparent markets in the world, clearly has benefitted from the market opening work of the WTO and the GATT. The current strength of the U.S. economy is due in part to WTO rules. Moreover, on the whole, the WTO's dispute settlement system has been an effective means for enforcing U.S. rights.

That being said, there is room for improvement. Five years experience with the WTO system shows key areas where we need to build on the solid foundation of the Uruguay Round and the six previous rounds of multilateral trade negotiations in he GATT. In particular, we see four key areas in need of reform.

First, we must open up the WTO to public view and public input. Recent events made clear that as trade has increased and had greater impact on people's lives, three is a greater desire for knowledge about and participation in the development of trade rules. Currently, the public is not aware of what happens in the WTO, and as a result, there is widespread mistrust of the institution. Opening the process—by de-restricting documents more quickly, allowing public submissions to dispute settlement panels, and opening panel proceedings to public view—will help to de-mystify the institution, and ultimately will go a long way toward alleviating some of the suspicions surrounding it.

Second, we must continue to develop the WTO as an institution that reflects the expanding scope of the trade policy agenda. It is axiomatic that the issues implicated by trade negotiations extend beyond tariff and other border measures, partially because of advances in technology and of increased economic integration. With respect to technological developments, e-commerce, breakthroughs in biotechnology, and other advances, have created new opportunities for increased global trade. We must continue to develop appropriate and effective policies and rules to address them. In the same vein, we must tackle the other issues that have increased salience in the trade context—including environmental protection and the operation of labor markets.

We must promote greater understanding of the links between trade and labor market issues and ensure the more consistent enforcement of core labor standards as competition grows between evolving economies and developed economies. This means following through with the mandate set forth in section 131 of the Uruguay Round Agreements Act by establishing a working group on trade

and labor in the WTO, as well as reaffirming the link between trade and labor issues in our bilateral and regional relationships. We also must move forward on bringing environmental issues more meaningfully into trade discussions. This means bringing the work of the WTO's Committee on Trade and the Environment to bear on the work of WTO negotiating groups. It also means committing additional resources to performing environmental impact assessments before entering into new trade agreements.

Third, we must work to make developing countries our partners, rather than our opponents. This means not only ensuring that the process of negotiations enables all Members to participate in a meaningful manner, but also ensuring that the benefits of trade liberalization reach the poorest countries and the poorest people of the world. We need to pursue a coherent policy of trade and aid by relieving the least developed countries of overbearing debt and providing technical assistance and other aid that will, together with stronger trading relationships, provide the strongest possible foundation for increased living standards and the creation of a strong, global middle class by promoting growth with equity.

Fourth, we must be certain that what has already been negotiated is functioning effectively. The importance of this point cannot be overstated. The Uruguay Round Agreements represent a balance of commitments by WTO Members. Failing to enforce commitments made, or attempting to redefine what has been agreed to through the dispute settlement process, undermines confidence in the system, and will make negotiating new agreements that much harder.

To conclude, we believe that most of our colleagues in the House will agree that, on balance, the benefits of U.S. participation in the WTO far outweigh the costs, and that the organization has been a positive force in promoting and shaping global trade. But we also hope that our colleagues will look at consideration of this resolution as an opportunity to acknowledge candidly and constructively the current shortcomings of the WTO, and U.S. Trade policy, and to begin to develop and implement recommendations for improving both.

SANDER LEVIN.
BENJAMIN L. CARDIN.
ROBERT T. MATSUI.
JOHN LEWIS.
RICHARD E. NEAL.
XAVIER BECERRA.
JOHN TANNER.
C.B. RANGEL.
JIM MCDERMOTT.
WILLIAM J. COYNE.
WILLIAM J. JEFFERSON.
JERRY KLECZKA.
MICHAEL R. MCNULTY.
LLOYD DOGGETT.

## ADDITIONAL VIEWS OF REPRESENTATIVE BENJAMIN L. CARDIN

I fully concur with the views of my fellow Democrats regarding the continued U.S. participation in the World Trade Organization (WTO). In committee I voted against H.J. Res. 90, which would have withdrawn Congressional approval of the WTO Agreement.

I write separately to encourage Congress to consider a more effective way to review WTO decisions that are adverse to the economy of the United States.

In 1994 the United States Trade Representative (USTR) wrote to then-Senator Bob Dole to endorse the establishment of a WTO Dispute Settlement Review Commission. The Commission would consist of five federal appellate judges, and would review all final and adopted WTO dispute settlement reports. The Commission, under the Dole proposal, would review adverse WTO findings, using a set of four criteria, to determine whether the WTO panel:

(1) demonstrably exceeded its authority or its terms of reference;

(2) added to the obligations, or diminished the rights, of the United States under the Uruguay Round;

(3) acted arbitrarily or capriciously, engaged in misconduct, or demonstrably departed from established panel or appellate procedure; and

(4) deviated from the applicable standard of review, including in antidumping cases, set forth in the 1994 GATT agreement.

The Commission would issue its determination within 120 days after the report is adopted. The Commission will play a vital role in determining whether the WTO panel acted improperly to the detriment of the United States.

Upon the issuance of any affirmative determination by the Commission, any Member of each House would be able to introduce a joint resolution calling on the President to negotiate new dispute settlement rules that would address and correct the problem identified by the Commission. The resolution would be privileged and considered under expedited committee and floor procedures.

If there are three affirmative determinations in any five-year period, any Member of each House would be able to introduce a joint resolution to disapprove U.S. participation in the Uruguay Round agreements, again using expedited procedures.

I am currently working with interested members of this committee and consulting with the Administration on drafting appropriate legislation, using the Dole proposal as the basic framework. While we may disagree on the appropriate remedy for responding to an adverse WTO panel decision, we all agree that we must closely monitor WTO panel decisions that affect American economic interests. The Review Commission would raise the visibility of important WTO decisions that have a profound effect on the economy of the United States. I hope that the Commission would also reinvigo-

rate the Congressional oversight role regarding trade policy, and encourage members of Congress to seriously reflect on WTO decisions and their impact on the United States.

BEN CARDIN.

## ADDITIONAL VIEWS OF CONGRESSMAN PETE STARK

Although I oppose the resolution before us today, I do not want my opposition to be interpreted as support for the World Trade Organization (WTO). I have many concerns with the WTO and the way in which the U.S. Trade Representative (USTR) measures the benefits of U.S. membership in the Organization. The lack of leadership from our Administration in the WTO has allowed transnational organizations to dictate U.S. trade policy while consumer protections, labor, environment and human rights have not been considered relevant issues in the world body. The Executive Branch has fought fervently for intellectual property rights but lacks the same zeal when it comes to the survival of the species. The World Trade Organization will make these issues an integral part of the trade agenda when the world's greatest trade advocate insists that these issues be of paramount importance.

No one will dispute that trade increasingly involves broad public policy matters, yet there are no representatives of labor, environment, or human rights non-governmental organizations on most WTO trade advisory committees. Industry representatives are the sole members on the vast majority of trade advisory committees and this is simply wrong. We cannot expect to have the interests of labor, the environment and the oppressed represented by those who are motivated by the bottom line. Separating the environment and labor from other aspects of trade by creating side committees such as the Labor Advisory Committee or the Trade and Environment Policy Advisory Committee has little effect of addressing the impact trade has on these voiceless segments. These interests must be allowed fair representation in all of the Industry Sector Advisory Committees.

The WTO is a highly surreptitious club. Members of the advisory committees have access to government information concerning overall negotiating objectives and positions of the U.S. that is not otherwise publicly available. The same advisory committee members are able to relay their views directly to government negotiators, giving the advisory committee members an obvious advantage for influencing positions. In addition, virtually all of the meetings are held in closed session and records are not uniformly available to the public. Freedom of information requests are often answered with extensive withholdings. The U.S. was founded on democratic and transparent principles. The WTO operates behind closed doors without concern for the views of the American public. USTR will only help their cause by spearheading efforts to shed light on this esoteric organization.

Finally, the Administration must uphold domestic statute when dealing with other WTO member nations. The U.S. Congress executes the will of the American people through the various laws enacted. These laws must be upheld within our sovereign territory as

well as in the global arena. On more than one occasion, the Administration has pressured other countries not to enact protections for the environment or public health. The U.S. lobbied against Japan's consideration of new fuel economy standards as well as Europe's proposals to protect children from toxic toys. Again, the public was unaware that this was taking place until after it had transpired. We must be encouraging stronger standards from all of our trading partners—even if that means regulating genetically modified organisms here in the U.S.

If President Clinton is sincere in his pledge to put a human face on trade, then the Administration should take my views as first steps in improving trade for all consumers, all workers and our global environment. These various interests must be invited to the negotiating table to provide true balance to the current bias in the WTO. The process must be de transparent and open to all Americans. The U.S. must set the standard for improving domestic and global conditions, not lead in the race to the bottom for the sake of multinational profit.

PETE STARK.

○