



attac

Newsletter 80- page 1(1)
Please circulate and distribute.

Sand in the wheels

Weekly newsletter - n°80 – Wednesday 09 May 2001.

FAIR TRADE

Content

- 1- We invite you to demonstrate
- 2- A Prospect on Fair Trade
- 3- GATS – A week to understand
- 4- Put a stop to the dismantling of public services
- 5- WTO Tidbits
- 6- Fast Track

We invite you to demonstrate

By ATTAC Goteborg

DEMONSTRATION IN I GOTHENBURG, SWEDEN
13-17TH OF JUNE 2001

On June 16 the European Council has its summit in Gothenburg, and between June 13-17 we are planning a number of demonstrations and protest activities, to which we invite members from Attac worldwide. The very centre of the activities will be Fritt forum's tents close to the Fishchurch (Fiskekyrkan), where a large number of seminars will be held, side by side with musical performances, theatre and poetry recitations. There you can meet other members of Attac, participate in discussions and ask questions. You will also find an information center, bookselling and much more. The rest of the program follows below:

Attac Göteborg plans to open the meeting on June 13, with a concert featuring many well-known Swedish acts.

The 14th of June, Attac, among many other groups, participate in a manifestation against George W Bush on his visit to Sweden

A number of anti-EU organisations demonstrate on June 15. Attac will not participate, but plans alternative activities

On June 16 9.30 am it's time for the large demonstration which starts in Slottsskogen and

goes to Heden close to Svenska mässan, where the EU-ministers meet, and where we hope to gather up to 20 000 EU-critical demonstrators

The meeting closes on June 17 with a European conference for Attac's members

As to food and accommodation, we are negotiating with the municipal authorities of Gothenburg, and if you want a chance to profit from this, we ask you to submit your name, address, nationality and e-mail not later than May 20 to attac.eu.gbg@purpleturtle.com We will come back with more detailed information as soon as we can.

Hope to see you in Gothenburg this summer!

Best wishes, Attac Göteborg

ATTAC Sweden: sverige@attac.org

<http://attac.org/sverige>

A Prospect on Fair Trade

By ATTAC France Student Chapters.

A prospect on fair trade Contrary to current trade, fair trade suggests prospects of an other kind of international opening, respecting social and environmental standards.

Our association is frequently taxed of being "anti-globalisation". Therefore, it receives an ancient, reactionary and protectionist image. This mix-up reveals the poverty of the economic debate: taxing ATTAC of being a protectionist association, is reducing the debate to the following alternative: either bending to WTO's constraints; or denying



attac

the opening to the foreign countries and being a militant in favour of protectionism.

But, nothing is less wrong. The opposition to the current kind of international trade can, indeed, go through the defense of more justice in the international trade. Indeed, as shown by Kevin Wakkins in Grain de Sable n°214, the characteristic of the current globalisation's organisation, structured by and for the Northern countries, is mainly the unequal opening of the national economies: ³whereas the poor countries were forced to liberalise their market, the rich countries maintained their protectionism, mainly in the textile and the agriculture sectors.²

Inequality in exchanges because of protectionist barriers, but also in production: when "American negotiators praise the "fair play-ground" for agricultural products, the industrialised countries spent more than 240 billion dollars in subsidising intensive agriculture."

Customs barriers, obligation of opening the national market to the Northern agricultural products subsidised by the taxpayer: "It is not free trade, it is an organised market by and made for the transnationals [S] it is protectionism made for large firms" (Lori Wallach).

In front of this unfair organisation of the international trade, this wicked game which refutes the very bases of the liberal theory, an other kind of international exchanges has been developing itself since 30 years or so: the fair trade. It has been progressively structuring itself: since 1985, the purchase pool Solidar'Monde imports sustainable products, particularly for the fair trade shops (3000 units in Europe gathered since 1994 within the NEWS network). Since 1997, FLO international co-ordinate all the national label systems such as Max Havelaar. European fair trade is having 550 producer groups working in 50 different Southern countries, 800.000 families withdraw some benefit of these, we do not take into account all the positive induced fallouts.

By showing that the international exchanges are mostly desirable if they fit in with a social and environmental framework, fair trade is the proof that a fair and equal economic opening between the South and the North is possible. It proves the attachment of our societies to a certain number of "ethic" values which the current economic system tried to render null and void.

Also, fair trade is organised according to certain number of strict ethic standards: first of all, a fair and stable wage for the producers from the South, this wage being paid in advance if possible and corresponding to their production expenses but also to their elementary needs. Then the respect of the social and environmental standards: freedom to belong to a trade-union, forbidding the exploitation of the children at work, decent working hours, health and safety at work, no discrimination. At last, the traditions of the producers must be respected, avoiding therefore the product standardisation (African handicrafts made in Taiwan) and allowing genuine cultural exchanges linked to the market exchanges, which make the most of the South producers' know-how.

The ethic of Fair Trade appears most clearly in a fair price, subject to respect for environmental and social rules. How is this to be ensured ? For food products quoted on the exchange, like coffee and cocoa, there is a world market price, calculated by and for the multinational enterprises of the North, which may be reduced by half in a single year. It is this uncertainty which makes the producers' condition so precarious. The fair price, however, guarantees a stable minimum price and is fixed by reference to the market price plus a premium. For products that are not quoted, it is the group of producers which proposes a purchase price and the price is fixed by common agreement.

Why are prices for shoppers higher ? Let us take, as an example, a 250g packet of Max Havelaar fair-trade coffee which is from 2 to 3 francs dearer than the average. First of all, the small scale producers get 3.5 francs more, or, in total, 40% additional income. Then the fair-trade sector pays 60 centimes more in handling charges to producers' cooperatives as well as 30 centimes to finance the labeling system. On the other hand, it saves the 80 centimes usually paid to various intermediaries as well as from 0 to 90 centimes in import, roasting and distribution costs. The consumer thus agrees to pay the producer appropriately, and to finance democracy in his cooperative and the cost of monitoring, without which these ethical undertakings would be no more than a hypocritical and meaningless fantasy of having done well. On the other hand, the consumer refuses to pay the unjustified profits generated by useless intermediaries. Hence the price of fair-trade food : a higher price, but reasonable and justified.



attac

Fair Trade at present is only marginal (0.0001% of international trade) . But it has the potential for making very considerable progress (one Frenchman in ten knows of it). Two parameters will decide its expansion.; on the one hand the ability of its supporters to make the general public aware of the existence of an alternative trading system and on the other hand their ability to increase sales rapidly, in order to achieve economies of scale, enabling them either to reduce selling prices or to increase producers' remuneration further.

As far as concerns raising public awareness, Fair Trade supporters have made it clear that choice of consumer goods can become an act of policy engagement. They are reaching the point of not relying merely on commonplace advertising and are launching genuine political and educational campaigns, often of an interactive character, with little lunches for like-minded people or visits to the classroom. The fortnight dedicated to Fair Trade (from 27 April to 13 May), in collaboration with the RATP (Paris Metro authority), marks a great advance in this direction.

A rapid increase of sales is necessary in order to achieve deep penetration into the "competitive" economic exchange. At present the shops exclusively dedicated to Fair Trade are the first and most important champion of this method of exchange and the underlying ideas . The work of their volunteers and staff is remarkable and should be emphasised. In addition other means of distribution appear particularly interesting. Access to the general public by the current mass distribution channels is a practice with great possibilities. In future Max Havelaar is putting its label on coffees which are sold in a supermarket (Monoprix) Of course the motives of Monoprix are radically different from that of the militants and Fair Trade is sharing in the profit philosophy that it opposes. but provided the controls are strict, joining the main stream like this can only be of benefit to the producers of the South. And it proves that from now on the fair-trade system is viable within the competitive system.

The strategy of access to the general public would also gain from forming as extensive as possible a partnership with the public services. Some public institutions are already important customers, such as the European Parliament, the National Assembly, some CROUS (Student Accommodation Centres) etc. A public policy for advancing the fair-trade element could take the form of financing promotion campaigns or at least advancing the

money needed, in addition to overseeing the use of the "fair" or "equitable" logo.

The viability of the fair-trade system in the countries of the North, is, in our opinion, scarcely in doubt. The ethical conscience which develops there and feeds itself every day on the lamentable moral weaknesses of our production systems. This need for ethics will find a distribution system, we are sure. But Fair Trade will not last and become accepted unless it continues to view itself as a global system. The "ethical need" which creates the demand in the North is only one face of the system. The other, equally important, is enabling the small scale producers, united into cooperatives, to become gradually independent, , as regards their suppliers, the money lenders (credit bureaus in Colombia) and their clients . Stable and higher prices enable them to invest in opening their own factory for roasting coffee (Mexico and Guatemala); to invest in education and training for the people (Uganda and Tanzania) ; to allow for sustainable development which does no damage to vulnerable countries (Haiti) and .to give up growing cocoa (Bolivia), when it is likely to be less profitable in future.

If these different undertakings are observed, it may be asked whether, in the long term, Fair Trade could not go as far as competing with contemporary international trade and perhaps swallowing it up, at least partially. It is not easy to answer such a question. But perhaps it reflects what is essential to Fair Trade; showing that ethical, social and environmental rules can be applied to international exchanges (the social and environmental clause in the WTO agreements has for the moment remained a dead letter). Similarly it allows for the perception that another type of international trade is possible where international exchanges would be regulated by law respecting producers and consumers in both North and South alike. It also shows that the question is not "for or against globalisation", but "what globalisation do we want" .

Manuel Domergue Attac Sciences Po. Lionel Page Attac ENS Cachan. Bastien Sibille Attac sciences Po Contact ens.cachan@attac.org
Translation : Prudence Dwyer, volunteer translator coorditrad@attac.org

GATS – A week to understand

By ATTAC Rhone



attac

The 9th of November 2001 will see the start of a conference for the ministers of the World Trade Organisation (WTO). Michael Moore and the majority of the negotiators hope to take this opportunity to start the round of talks which they were unable to open at Seattle.

Services will be at the centre of these negotiations. Many hungry eyes are fixed on this rapidly developing sector which multinational companies would like to see totally open to competition as soon as possible. Since January 1st 2000, the "big deal" has been in confidential preparation at the WTO in Geneva as part of the General Agreement on Trade in Services (GATS). Our public services are in the sights of the GATS and the multinationals (2).

In order to highlight and initiate discussion of the extremely important stakes in the Doha negotiations concerning the future of our societies, Attac Rhone is organising a Public Service Congress. This will take place in Lyon before the opening of the WTO ministerial conference from 19th to the 26th of October 2001.

The aims are:

- To understand the GATS, its workings, its underlying logic and what is at stake
- To highlight those policies that seek to dismantle public services which are already at work at a world, European and local level
- To define what we expect from public services
- To question the government, the European Commission and the Council on the preparation of this new round of talks.

It will include:

- An opening conference on the GATS which will take place on Friday October 19th.
- A week of public initiatives (from the 22nd to the 26th of October) on the following topics:
 - Water
 - Energy
 - Transport
 - Health
 - Education
- The final day which will bring together all of the different debates and will map out the prospects for immediate action.

For more information, contact rhone@attac.org
<http://www.local.attac.org/rhone/>

Put a stop to the dismantling of public services

By ATTAC Vaud

No to dismantling and privatising: public services for everybody. For the unconditional withdrawal of the 'Gygi plan'. No to the closure of post offices.

On the 18th of January 2001, Ulrich Gygi, Chairman of La Poste, made public his plans for the future of the postal network, which he has been carefully preparing since taking up his position a year ago. At the time, many people still thought that he was not going to attack the post office network, unlike his predecessor Reto Braun who initiated the Plan Optima and became Public Enemy Number One. How wrong can you be?

In the next five years, La Poste plans to close all of the smallest post offices in rural areas (about 1550). About half of these will become 'delocalised counters' or will be replaced by minimal postal services provided at counters at rail stations, in communes or in grocery stores. The rest will be replaced by a 'mobile Poste' or by a postman who will come to houses at a regular hour. For 80 post offices, there is not even a plan for these replacement facilities with all their uncertainties: they will be closed definitively. As if this was not enough, Gygi is planning the definitive closure of 1 in 4 post offices in towns. On this basis, in five years there would be no more than 2,500 post offices in Switzerland, of which barely 2,000 would belong to La Poste. Today there are still 3,400 post offices, whereas there were 4,500 in the 1970s.

Gygi claims that there is no dismantling going on here: the Swiss will have to learn to do without the unnecessary. But with the example of La Poste, the true face of the 'Modernisation of Public Services' so highly praised by our Privatisation Minister Moritz Leuenberger can be seen: employees and service users must 'do without the unnecessary', so that public sector companies can be restructured and even privatised if they are sufficiently profitable. Postal services are joining the long list of cases where public provision is sacrificed for the thirst for profit of shareholders, investors and multinational groups: telecommunications, railways and municipal public transport, electricity suppliers and, increasingly, schools and hospitals.

At La Poste, in addition to the hundreds of post offices which have closed, there has been a significant rise in prices and the quality of service has decreased. Not very long ago at post offices, there was still a basic tariff of 50 centimes for



attac

letters, which were delivered twice a day. Since then, not only has this price risen considerably, but a further supplement must be paid if letters and packages are to arrive on time. Of course a lucrative market for express delivery develops in this way and this market is sought after, in addition to La Poste, by private companies. At the same time, an attempt is being made to break down popular resistance to privatisation: for Gygi, Leunenberger and their consorts, the more service provision deteriorates the more La Poste behaves like a private company seeking profit at any price, and the more resistance will weaken.

But the cost of this evolution is also being paid for by employees at La Poste. Their working conditions have clearly deteriorated in recent years: workload and growth in work rhythm have increased as have the power and arbitrary behaviour of managers, in particular with the introduction of performance-related pay. For middle- and lower-salaried employees, salaries have not progressed and have therefore diminished in real terms. While those of managers have reached dizzy heights...

Guaranteed employment has been ended and La Poste hires an increasing number of people with insecure working conditions and on a fixed term basis. Because of the new law on federal employees, employees may be dismissed without any kind of hearing, for example, when it is a matter of closing hundreds of post offices! But the most serious point is that the deterioration in general working conditions for employees prevents them from doing their job properly and satisfying the needs of the end-user, which damages their dignity and their professional identity.

In many towns and regions in Switzerland, employees and users of La Poste have begun to organise themselves in order to fight this "modernisation" of La Poste, which is above all a major step backwards in social terms. But in order to prevent the dismantling of the postal network, we must organise ourselves on a national scale: otherwise it will be too easy for management at La Poste to set towns, villages and isolated areas against each other. Only the joint mobilisation of the employees and those who use La Poste (which means all of us) can prevent its dismantling and privatisation.

Luca Pellegrini [attac Suisse \[suisse@attac.org\]\(mailto:suisse@attac.org\)](mailto:attac.Suisse@attac.org)
More informations vaud@attac.org
<http://www.local.attac.org/vaud/>

WTO Tidbits

By the ATTAC work group on International Treaties, Marseilles

1) Access to essential medicines is still problematic in South Africa

Now that the laboratories have decided to stop proceedings against South Africa, the Minister for Health esteems that medicines are still too expensive. The government is worried by resistance to anti-retrovirals, and building up an infrastructure remains the priority. "We must give ourselves the capacity to distribute medicines in suitable and effective ways". These remarks have been described as "disappointing" by a local NGO.

For Mike Moore, the agreement reached goes to prove that the TRIPs (WTO treaty on intellectual property rights) is supple enough to adapt to the needs of developing countries [although if this is so, why didn't the laboratories take their case to the DSB (Dispute Settlement Body of the WTO)?] NGOs, for their part, are determined to keep on campaigning for a revision of the TRIPs.

The thrust of this campaign will now be concentrated in Brazil, whose legislation on patents has been contested by the US at the WTO.

The UN Human Rights Commission has put its weight behind Brazil in this dispute. 52 of the 53 countries forming the Commission have supported a Brazilian resolution calling on all states to promote access to Aids medicines. The 53rd country, the US, abstained, considering that this was a "debatable document on health", and had nothing to do with human rights.

2) Taking a rich country to the DSB is no easy matter for a developing country

Ecuador is still hesitating to take on the EU in a case against the new EU banana import system which is prejudicial to this country. "It's difficult for a small country, labouring under severe economic problems, to stand up to the heavy pressure exerted by the EU and the US in this matter" as an Ecuadorian source declared.

3) An UNCTAD report stresses the dangers of liberalization for sluggish economies

Analyzing the effects on other countries of a slow-down of the US economy, UNCTAD pointed out

that the countries which export a large percentage of their produce to the US (like East Asia, China and Mexico) will experience the greatest difficulties, particularly in terms of rate of exchange and drop in export revenues.

Due to the increasing integration of the globalized economy, "financial shock-waves are transmitted all the more quickly from one region, country or sector to another". At the same time, so closely knit are finance and production, such shock-waves can have unexpected consequences.

Too much financial liberalization creates "a world of systemic instability and recurrent crises." The moment has come to subject the Bretton Woods arrangements to an efficacious reform. UNCTAD pronounces in favour of improved transparency and rules for transborder financial operations which up to now have escaped regulation.

The developing countries should take the lead in this reform.

4) Discussions on renewing EU fishing rights in Senegal have reached deadlock

Ecology groups like the International WWF fear that over-exploitation of sea resources off the coast of Senegal will affect the levels of threatened species if the EU request for an increase in its quota is accorded.

The EU rejects the accusation and affirms that it will help Senegal develop and maintain its fishery industry.

5) An informal report defines the elements for discussion in negotiating investment rules

The document comprises 11 paragraphs devoted inter alia to the settling of disputes. According to these, disputes between investor and state would no longer be permitted. Other paragraphs concern the protection of investments, based on bilateral treaties accepting protection and compensation for expropriations. The Asian countries, with the exception of India and Malaya, have indicated that they could accept this.

Africa is more divided on this document : Egypt, Morocco, South Africa and probably Nigeria are considered to be in favour, while Tanzania, Zambia and Zimbabwe are against it.

6) The WTO is preparing the new "fringe" Round

With a view to preparing the Inter-Ministerial Conference in Doha, the WTO Secretariat intends to hold meetings with NGOs and possibly representatives of member states. The NGO delegates who have published studies and reports on the subject are invited to informal discussions on their texts with interested delegations and the Secretariat. The G8 representative in the Secretariat declared: "We want the NGOs to understand the internal and technical mechanisms of our activities", and added, "Qatar cannot be a replay of Seattle."

At Doha, the Secretariat thinks it will hold daily conferences for "approved" NGOs, to enable them to follow the status of the negotiations. There will also be reports on specific subjects and workshops held at the NGO Centre in Doha which will be open to all participants in the Conference, members of civil services included (infiltration gets worse week by week). These NGO-WTO conferences use the WTO website. This website will serve to pass on information about what is going on at the WTO and to engage in virtual dialogue with civil society as well as providing logistic information about reception of NGOs.

Despite all this, there remains disagreement between members on the degree of external transparency and the extent of cooperation to be sought with civil society.

[Information available on the WTO website : <http://docsonline.wto.org> - We have invented nothing!]

Work Group "International Treaties"
omc.marseille@attac.org

Fast Track

By Mike Dolan

As you will see from the articles below (AP, Reuters, AFX and Nat'l Journal's CongressDaily), the President is poised to present 'principles' that will animate Administration lobbying efforts for so-called 'Trade Promotion Authority', formerly called 'Fast Track'. As you probably already know, Bush & Co. need congressional acquiescence in order to expand NAFTA throughout the hemisphere under the rubric of the Free Trade Area of the Americas.

All the presidential palaver about freedom, protectionism, noisy protestors and the 'moral imperative' is just political cover for a corporate agenda of lowered consumer protections,



attac

diminished labor rights, ecologically unsustainable development and sweatshops. This agenda requires Fast Track, which will require a full-court Big Biz press in the upcoming weeks.

We urge you to go to our website – www.tradewatch.org -- and click on the Action Page where you will find sample letters to your congress members and to the editors of your local and regional newspapers, along with a 'primer' on congressional office visits. If you would like to coordinate your efforts with established Fair Trade coalitions (as we encourage you to do), then click on the U.S. map and track down the organizers whose email addresses we have posted there.

On our Fast Track page, you will find some useful analysis of this 'legislative laxative that's bad for the constitution' as well as a handy Vote Chart so you can see where your congress member stood when we frustrated the corporate lobby when Clinton was the First Free Trader.

As we did during the Fast Track fight in the 105th Congress (1997 – 98), the Global Trade Watch team at Public Citizen will be available to help you persuade policy makers and opinion leaders that the Administration is on the Wrong Track. We look forward to organizing with you. Pass it on and stay tuned.

Mike Dolan
West Coast Director, Global Trade Watch

1- Bush Appeals for Trade Authority
May 7, 2001
By THE ASSOCIATED PRESS

WASHINGTON (AP) -- President Bush urged Congress on Monday to grant him broad powers to negotiate trade deals, calling the barrier-free exchange of goods a "moral imperative" that would spread democracy, prosperity and human rights across the globe.

"I urge the Congress to restore our nation's authority to negotiate trade agreements and I will use that authority to build freedom in the world, progress in our hemisphere and enduring prosperity in the United States," Bush told the Council of the Americas, a hemispheric business group.

Later this week, the president plans to formally ask Congress to give him the authority to negotiate trade deals that could be voted up or down by lawmakers without changes. Presidents

from Ford to Clinton had such "fast-track" authority, but it lapsed during the Clinton administration.

"By failing to make the case for trade, we've allowed a new kind of protectionism to appear in this country," Bush said. "It talks of workers, while it opposes a major source of new jobs. It talks of the environment, while opposing wealth-creating policies that will pay for clean air and water in developing nations. It talks of the disadvantaged, even as it offers ideas that would keep many of the poor in poverty."

"Open trade is not just an economic opportunity," Bush said, "it is a moral imperative."

Bush, who has long pushed for negotiating powers, sharpened his attack on critics with the address.

"I'm counting on the council's help to bring sanity to the United States Congress," Bush said to an audience of some 300 business leaders, ambassadors and government officials, including Sen. Chuck Hagel, R-Neb.

A group of 61 senators sent Bush a letter Monday warning him that they will strongly oppose any new trade agreement that would restrict America's ability to use its laws to protect U.S. companies against unfair trade practices of other nations.

The letter cited America's anti-dumping law, which allows the government to impose penalty tariffs against imported products being sold in the United States at unfairly low prices. It also cited a law that allows the United States to impose higher tariffs in retaliation for unfair trade barriers erected by another country against American exports.

"Each of these laws is fully consistent with U.S. obligations under the World Trade Organization and other trade agreements," the senators said in the letter.

Setting up Bush's address to the Council of Americas, Secretary of State Colin Powell took aim at critics of the proposed hemispheric free trade agreement, saying the plan would advance "worker and human rights over the long run" while protecting the environment and advancing economic equality.



Powell said the North American Free Trade Agreement is a powerful example of the benefits free trade can bring.

The Council holds its annual meeting in Washington every spring but this is the first time in memory a U.S. president has agreed to address the gathering.

Powell said that during NAFTA's first five years of existence, employment increased in Mexico by 22 percent, in Canada by 10 percent and in the United States by more than 7 percent.

"Did NAFTA hurt democracy in Mexico?" Powell asked. "No. Today, Mexico has a president elected from the opposition, the first in 70 years. It has freer labor unions, a freer press and a growing number of active nongovernmental organizations."

He said President Vicente Fox is questioning "all the old models in Mexico and directly confronting violence and justice, crime and corruption. He deserves and receives our full support."

At the recent Summit of the Americas in Quebec, hemispheric leaders reaffirmed a commitment to conclude a regional free trade agreement by 2005. Anti-free trade groups sought to disrupt the proceedings, some arguing that free trade puts profits ahead of the needs of workers. Others maintained that NAFTA has not produced any benefits for Mexican workers.

Powell suggested the protesters were on the wrong side of history.

"We need to get out the word, the message about the new world we live in and the opportunities before us. The noisy protesters against globalization, they can't see it," he said.

"The reality is that free trade and globalization promote worker and human rights over the long run" and "helps the environment and improves economic equality through greater wealth for all."

2- Bush Appealing for Trade Authority
May 7, 2001

WASHINGTON, May 7 (Reuters) - President George W. Bush on Monday planned to outline a set of principles for free trade as he renewed a quest to persuade Congress to give him trade negotiating authority.

The White House said Bush would offer "fresh new thinking" on free trade and the importance of trade promotion authority -- also known as "fast track" -- during a speech to the Council of the Americas, an influential business group.

Under the negotiating authority, Congress can vote up or down, but not amend, trade deals negotiated by Bush, who wants it to work out a free trade agreement for North and South America.

Bush is to make his formal request to Congress to give him the authority later this week. It faces an uncertain future on Capitol Hill.

Secretary of State Colin Powell, speaking to the Council of the

Americas ahead of the president, said the Bush administration needs their help to persuade Congress to approve trade promotion authority.

"We ask you now to redouble your efforts," Powell said.

Powell said the proposed Free Trade Area of the Americas would strengthen democracy throughout the region.

"Democracy and trade and free enterprise all go together. It's as simple as that," he said.

Bush's father had the fast track authority during his presidency, but it expired in 1994 under Bill Clinton and has never been renewed as lawmakers spar over how to handle labor and environmental issues associated with trade.

White House spokesman Ari Fleischer said Bush would take up the fight against what he calls a "new kind of protectionism" rising around the globe.

"We will not let the forces of protectionism around the world defeat free trade," Fleischer told reporters.

At the Summit of the Americas meeting in Quebec City two weeks ago,

Bush told regional leaders he was confident he would get trade promotion authority "before the end of the year" and promised to kick off the debate by outlining a set of principles when he returned to Washington.

In his speech, Bush said a ``commitment to open trade must be matched by a strong commitment to protecting our environment and improving labor standards. Yet these concerns must not be an excuse for self-defeating protectionism."

Democrats generally want strong protection for labor and the environment as part of trade pacts, while Republicans are leery of including such provisions, fearing they could become obstacles to trade.

The standoff has prevented action on a U.S.-Jordan Free Trade Agreement negotiated by the Clinton administration.

Bush was to make mention of the Jordan trade deal as well as a separate one with Singapore.

While the agreement is of little economic significance, Republicans fear that the text could open the door to the use of sanctions to enforce labor and environmental provisions.

3- Bush Pushes Fast Track; Senators Defend Trade Laws

President Bush this week will send Congress his "agenda and principles" for presidential trade negotiating authority, White House Press Secretary Ari Fleischer said today. Bush had promised during last month's Summit of the Americas in Quebec to outline "free trade principles" after consultation with members of Congress, Fleischer said. Bush at presstime was slated to deliver a speech at the State Department during which he will offer "new language" promoting trade and discuss why he wants trade negotiating authority, Fleischer said. Fleischer indicated Bush would address concerns about trade, labor and the environment, talk about "more than one size fits all policies" and describe a "toolbox" for approaching various "trade issues." But Bush's speech will not be solely conciliatory, Fleischer acknowledged, saying Bush would vow to "fight against a new kind of protectionism." The president also will make the case for congressional approval of free trade agreements with Jordan and Singapore

Meanwhile, 61 senators - including Majority Leader Lott, Minority Leader Daschle and Finance ranking member Max Baucus, D-Mont. - today wrote Bush stating their "strong opposition to any international trade agreement that would weaken U.S. trade laws, "including antidumping and

countervailing duty laws, and Section 201 and Section 301 requirements. "Each of these laws is fully consistent with U.S. obligations under the World Trade Organization and other trade agreements," the senators wrote, adding, "Congress has made clear its position on this matter." In a statement, Baucus said, "I hope [administration officials] recognize the handwriting on the wall: [N]ew agreements or grants of fast track that endanger key U.S. trade laws ... will not win congressional approval." Baucus noted that Trade Representative Zoellick previously served on a commission that issued a report critical of U.S. antidumping laws. He added that "the integrity of U.S. trade laws is every bit as important as labor and environmental issues" in any future trade legislation. "If President Bush truly wants to win congressional support for fast track, he should make a clear and unambiguous statement in support of these laws," Baucus said. Senate Finance Chairman Grassley did not sign the letter.

Meanwhile, Secretary of State Powell took aim at critics of the proposed Free Trade Area of the Americas today by saying the plan would advance "worker and human rights over the long run" while protecting the environment and advancing economic equality.

Speaking to a gathering of the Council of the Americas, Powell said the North American Free Trade Agreement is a powerful example of the benefits free trade can bring. "The reality is that free trade and globalization promote worker and human rights over the long run" and "helps the environment and improves economic equality through greater wealth for all." - by Keith Koffler and Charlie Mitchell

4- Business Divides Over Trade Negotiating Authority

With the Bush administration prepared to release its principles for presidential trade negotiating authority this week, some splits are evident within the business community between hardliners opposed to the inclusion of labor and environment provisions, and others who believe a compromise is necessary to end the Capitol Hill stalemate over trade negotiating authority. "We need the administration to clarify its message," said one business lobbyist who favors a hard-line approach. "They're trying to signal their willingness to compromise, but it's raising concerns about what they're willing to give away. They shouldn't apologize for supporting free



attac

trade." The source said: "We're concerned that the administration - while it hasn't said it would support sanctions - is pushing too far out on fines. That raises red flags among free traders. I think you're within striking distance of passing TPA [trade promotion authority] as it stands."

But another business lobbyist praised the White House's "willingness to listen to ideas," adding, "Putting your feet in concrete isn't going to get us fast track." This source said that fines, rather than economic sanctions, could offer a "middle ground" for dealing with the failure of U.S. trading partners to live up to labor and environmental standards. "There are hardliners [in the business community's trade coalition]," the source said, "but I think the center of gravity is moving toward a more moderate position." The source said business leaders also have detected signs of flexibility from the labor movement.

"Maybe, just maybe, there won't be a fight this year," the source said.

Trade Representative Zoellick, in a meeting with GOP House leaders last week, said he has met with 150 House members so far this year to discuss their concerns on trade legislation, a leadership source said. "Bob Zoellick has opened a dialogue and he has met with Democrats quite a bit," said Rep. Robert Matsui of California, a Democratic leader on trade issues. "But fines versus sanctions is where the dividing line is now. The USTR is willing to look at fines," Matsui suggested, adding that this would be insufficient to garner his support. A spokesman for Ways and Means Trade Subcommittee Chairman Philip Crane, R-Ill., praised Zoellick's approach, saying, "It's important at this stage to look at options instead of immediately closing the door." But the spokesman was quick to add that Crane believes sanctions are "counter-productive." - by Charlie Mitchell