

## AFL-CIO aims to capture Congress on financial, not intellectual, grounds Print

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From Prof Jagdish Bhagwati.

Sir, In my article "America's bipartisan battle against free trade" (April 9) on US trade policy I described how multilateral free trade was being undermined in the United States by free traders who forgot that preferential trade agreements (PTAs) were creating a spaghetti bowl of preferences that were multiplying continually and by protectionists who were using in new ways the old trick of alleging "unfair trade" to cripple free trade.

Robert Zoellick, a principal architect of the drift to PTAs, defends PTAs (Letter, April 12) with arguments that are now bought by only a negligible number of trade scholars. Several directors-general of the World Trade Organisation have also expressed dismay over the proliferation of PTAs, treating them as a serious epidemic and a palpable threat. Mr Zoellick certainly merits a place among the important architects of the WTO because of his critical role in the launching of the Doha round. But his role in the proliferation of PTAs also qualifies him, ironically, for a place in the rogues' gallery of those who have seriously harmed the WTO.

Andrew Sprung (Letters, April 11) objects to my characterisation of the protectionists instead. He seeks "evidence" that the new demanders in Congress, and at the AFL-CIO (American Federation of Labor-Congress of Industrial Organisations), of labour and domestic environmental standards in trade treaties are indulging in export protectionism, prompted by fear and self-interest rather than by altruism and empathy. All you have to do is to read their campaign platforms and speeches and you see plenty of evidence of how they believe that lower standards elsewhere are imperilling our jobs and wages.

Indeed, I know some people, even among unions, who believe that we must raise standards elsewhere regardless of whether we trade and compete with them or not. You could be against little green men on Mars putting littler green children to work even if we did not trade with Mars, purely out of inter-planetary sympathy. But these are not the people who are driving the politicians and the union leaders and spokesmen today.

Where altruism is the driving force, the use of trade treaties and institutions to change standards elsewhere is also not an efficient, and at times not even a feasible, way to do it: an argument that I and many others (including Senator John Kerry at Davos and Senator Patrick Moynihan) have made at length over the last decades in several places. But, while the AFL-CIO was willing to discuss these matters earlier on intellectual grounds, it has decided now that it is better instead to capture the Congress via campaign contributions. Financial capital, in a cash-dominated society, always wins over human capital. Alas.

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