

## Fast-track renewal could lead to tougher demands on the poor

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From Profs Jagdish Bhagwati, Alan Deardorff, Pravin Krishna, Arvind Panagariya and Koichi Hamada.

Sir, We are faced today with the election of several new Democrats who are simply terrified by trade with the poor countries and its alleged, unproven deleterious effect on the wages of unskilled American workers (the article "Technology, not globalisation, is driving wages down" by Jagdish Bhagwati, FT January 4, showed that there is little evidence for this allegation). Many of them mistakenly consider such trade to be a threat even to the well-being of the American middle class.

It seems increasingly probable, therefore, that the renewal of fast-track authority for President George W. Bush, if granted by the Congress, will lead to the US demanding tougher preconditions for future trade liberalisation from poor countries than are already in the trade promotion authority enacted in 2002. For example, instead of the requirement that each nation enforce its own labour and (domestic) environmental standards, the new fast-track demands are likely to ask for the raising of these standards, as desired by Senator Carl Levin and other Democrats in the case of the Central American Free Trade Agreement. It is also highly probable that those seeking trade liberalisation will concede it as a price to be paid. In fact, you report ("Old-school' Democrats urge trade deal", January 31) that the Business Roundtable is likely to drop its opposition to such demands.

But while bipartisan support may materialise behind such a move, recall that bipartisanship is no guarantor of virtue: the Smoot-Hawley Tariff of 1930 was also a bipartisan piece of legislation. Major developing countries such as India and Brazil, both with better credentials on union rights - surely President Luiz Inacio Lula da Silva is arguably the most remarkable trade union leader today - and on global warming than the US, which has not signed the Kyoto protocol, oppose the demands for inclusion of such standards in trade treaties, seeing them as constituting generalised, non-transparent and invidious export protectionism by fearful rich-country trade unions and politicians acting out of fear and self-interest to raise the cost of production abroad rather than from the altruism and empathy they occasionally profess.

Edward Alden, in his Comment article "Bush is right to push for renewal of his fast-track trade policy" (January 31) suggests that "for the rest of the world, it is worth paying such a price" for the fast track to be renewed. Perhaps he should let the rest of the world speak for itself.

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