

CHAPTER 6

Gleaning the GATT

AS HE SLOGGED through the Reagan administration's GATT proposals in the summer of 1987, Mark Ritchie was worried.¹ Ritchie was an agricultural policy analyst for the state of Minnesota. His job was to examine how global and domestic public policies might affect Minnesota's farmers.²

The members of the GATT had begun the eighth round of multi-lateral trade negotiations (the Uruguay Round) in 1986. U.S. officials had five areas of negotiating priority: agriculture, services, intellectual property rights, investment measures, and GATT dispute settlement. They hoped to strengthen GATT's rules governing the use of NTBs such as food safety standards. In their opinion, this would ensure that such national regulations would not be covertly used as tools of protection. Finally, U.S. officials wanted to ensure that no nation could adhere to GATT selectively. This phenomenon, called GATT à la carte, meant that nations would adhere to some of the codes negotiated during the Tokyo Round, but not others.³ These officials hoped that such a comprehensive approach to trade liberalization under the Uruguay Round would strengthen the GATT and expand trade. Moreover, they argued that a more global and comprehensive approach to trade liberalization would be in the interests of the small family farmers that Mark Ritchie wanted to support.

Ritchie was not opposed to bringing agricultural trade under international rules, but he did not want these rules to result in the demise of small farmers. Nor did he want these rules to limit the ability of national or state level policymakers to use health and safety standards to protect consumers and producers.⁴ He understood that sometimes national or state level regulations distorted trade among foreign and domestic producers. In his view, trade liberalization should ensure each member nation's rights to achieve the level of food self-sufficiency and

consumer safety the individual nation deemed appropriate. But he feared that should the Reagan administration trade policy plans become reality, the GATT could become a backdoor tool for deregulating consumer, health and safety, and environmental regulations.⁵

In 1987, Mark Ritchie virtually stood alone in his fear about the potential implications of these GATT proposals.⁶ Few Americans had heard of the oddly named GATT. Even fewer Americans read the Reagan administration proposals for a new round of multilateral trade negotiations.⁷ Thus, most people were not cognizant that globalization put their national governments in a dilemma. As the United States and other nations opened themselves to global markets, their citizens demanded new and broader forms of regulation and social insurance to cushion them from the vicissitudes of global markets. But the state (seconded by taxpayers and investors) is less able to play that role without making itself less competitive in global markets. This is the “Catch-22” of globalization.⁸

In 1987, Ritchie did not seem to have much ability to influence those negotiations. He was not a “player” in U.S. farm policy during the Reagan/Bush era (1981–1992), nor was he well connected to the movers and shakers who made trade policy in Congress or the Reagan administration.⁹ But he had experience organizing an international movement. He also was an effective educator and fundraiser, willing to use his considerable energy and public-speaking skills to explain his concerns to other farm, civic, environmental, religious, community, consumer activists, and foundation officials.¹⁰

After reading the proposals, Mark Ritchie became a twentieth-century Paul Revere, warning citizens and civil society groups that the Reagan (and later Bush) administration’s trade policy plans could jeopardize national approaches to sustainable development, food self-sufficiency, and national systems of social regulation. After 1988, Ritchie became more like Johnny Appleseed. He saw his mission as organizing a domestic and international movement critical of trade agreements. He built bridges among development, farm, environmental, human rights, and labor groups and planted the seeds of trade agreement criticism.¹¹ As a result of his efforts (and those of many others), a wide range of individuals in Canada, the United States, Europe, and Asia formed links to influence the Uruguay Round, and in particular the U.S. trade proposals. Some activists thought the Reagan and Bush administrations were using the GATT as a tool to lower national regulatory standards. They came to that perspective not only because of the content of the trade policy plans, but also because of the context in which the Reagan and Bush administrations made their

proposals: a time of economic uncertainty, protectionist rhetoric, and deregulation. By 1991, many of the trade agreement critics concluded that they must oppose trade liberalization under the GATT to preserve their regulatory protections. In the United States, some of these critics forged a political alliance with protectionists and economic nationalists to object to the trade agreement's impact on sovereignty.

THE MESSAGE AND THE MESSENGER:
LINKING ENVIRONMENTAL, FARM,
AND CONSUMER PROTECTION POLICIES

Ritchie's fears about the Uruguay Round's impact on the environment and farmers had merit. In the forty years of GATT negotiations, GATT's contracting parties had not developed clear rules for trade in agriculture. As farmers became more efficient, they produced surpluses and became dependent on foreign consumers to buy their surplus production. At the same time, industrialized nations continued to protect their domestic agricultural sectors through subsidies, credit programs, tax incentives, price supports, production controls, and health and safety standards. As the world's farmers contended with declining prices and relatively high costs of protection, they came under greater pressure to use pesticides and biotechnology to produce efficiently.¹²

The pressure to farm almost every inch of arable land and to use pesticides was not the only irony affecting the world's farmers. Farmers were producing more food than ever, yet many people in the poorest nations of the world went hungry. This gap between demand and supply stemmed from a noble goal. All nations were determined to ensure a reliable and safe food supply for their citizens. Thus they protected their farmers but did little to ensure that food was always affordable and available to their needy citizens. In many nations, consumers and taxpayers subsidized farmers, and the price of such support programs continued to rise. In 1982, U.S. farm programs costs some \$26 billion, while European Union farm subsidies and support measures were approximately \$23 billion. These high costs pressed policymakers around the world to search for a global solution to reduce both overproduction and farm supports. They hoped to find one under the aegis of the GATT. In discussing the problems of America's farmers, Daniel G. Amstutz, the undersecretary of agriculture for international affairs and commodity programs, argued in 1986, "We must reject the 'go it alone' approach. . . . The international bargaining approach is where the solution lies."¹³

The Reagan trade policy plans, however, coincided with horrible upheaval in America's farm sector. Since the 1970s federal farm policy had discouraged soil conservation and encouraged many farmers to become dependent on global markets. America became "the breadbasket of the world," but reliance on global markets did not help many small farmers. As land and commodity prices fell throughout the 1980s, many farmers were unable to cover their losses. High interest rates and enormous debt loads forced many farmers into bankruptcy, fueling bitterness at the banks and anger at the federal government. The costs of supporting such farmers grew so high that policymakers and taxpayers demanded changes to farm policy.¹⁴ As farmers tried to squeeze every last bushel out of their land to survive, soil erosion and groundwater contamination accelerated. At the same time, many family farms were liquidated. Rural communities throughout the United States were devastated and depopulated.¹⁵ Some farmers became radicalized, joining extremist antigovernment groups (such as militia groups in Idaho, Michigan, and Montana).¹⁶ Others determined to develop new farm policies through political activism, somewhat like the populist alliance of the late nineteenth century. Mark Ritchie was one of these activists, but his activism would transcend U.S. borders.

Like many agricultural economists, Ritchie believed U.S. farm programs tended to subsidize agribusiness and large corporate farmers who were most likely to use pesticides.¹⁷ He was not opposed to international trade rules that could force the reduction of such subsidies. He was also not opposed to finding international common ground on health and safety standards (called sanitary and phytosanitary [S&P] regulations). But Ritchie felt strongly that the United States must recognize that "import controls, including quality and safety regulations, are necessary to protect the integrity of domestic food and farm programs."¹⁸ In short, Ritchie wanted to ensure that food safety standards could continue to be used as a tool of protection. Although the United States had consistently taken the position that nations should use overt tools of protection such as tariffs to protect, it also had long used food safety regulations to protect American farmers as well as its consumers, as its trading partners had.¹⁹

FOOD SAFETY

America's system of food safety regulation is incredibly complex. There are twelve agencies with food safety responsibilities, but none has primary responsibility. The most important agencies

are the Food and Drug Administration (FDA), the Department of Agriculture, and the Environmental Protection Agency (EPA). Given this complexity, Americans have repeatedly tried to reorganize the U.S. government's approach to protecting consumers from unsafe food and separate it from other functions such as expanding exports.²⁰ For example, in 1972, Ralph Nader's Center for Study of Responsive Law published *Sowing the Wind*, saying the goal of government regulation of food safety should be to protect public health and not to promote U.S. farm products.²¹ In the following years, civic groups and coalitions such as the Safe Food Coalition criticized both the strategy for and organizational structure of food safety regulation, but this criticism had little impact. The public was increasingly vulnerable to tainted food.²²

*The American public strongly supports government regulation of food safety and has been especially concerned about the rising percentage of imported food that is not subject to regulation during production. Food safety advocates believe the first step is to improve domestic regulation of food safety. Europeans also want to find a more effective approach to food safety.*²³

In 1987, Mark Ritchie hoped to help the Reagan administration find a better balance between consumer welfare and producer protection. He believed the GATT system could and should be improved, stating, "As flawed as they are, GATT rules . . . are increasingly more, not less necessary."²⁴ He stressed, "The GATT talks will set the international economic agenda . . . far into the next century. They can be used to vastly improve the situation, or they can be a disaster."²⁵ This ambivalence toward trade agreements would shape his actions; he would adopt both a reformist and a rejectionist strategy.

Ritchie thought that the Reagan administration had developed lousy plans because they had not invited broad participation in developing the plans. This insularity, Ritchie concluded, and not some grand conspiracy, was to blame for the administration's approach. In his view, it could only be overcome by getting more of the public informed and involved in the process. But Ritchie did not adopt the traditional Washington approach of lobbying inside the Beltway or using the media to convey his views.²⁶ Instead, he moved his family to Europe and worked to build an international constituency to oppose the Reagan administration's approach to the Uruguay Round.

Ritchie had both a wide range of international contacts and experience in achieving major international change.²⁷ He had been a leader in one of the first international consumer campaigns: the boycott of the Nestlé company. In some developing nations in the late 1970s, Nestlé advertised that infant formula was a good (not exact) substitute for breast milk and the “modern way” to feed infants. But there are a lot of “ifs” in substituting formula for breast milk in developing nations. To mimic breast milk, the formula must be combined with the right amount of sterilized water and fed to babies in sterilized bottles with sterilized nipples.²⁸ Health care workers and missionaries (later joined by consumer advocates) called on Nestlé and other producers of infant formulas to make sure that consumers understood that the formula should not be diluted or mixed with unsafe water. But Nestlé did not respond.

Ritchie and other activists set up the Infant Formula Action Coalition (INFACT) in Minneapolis, which led a global boycott of Nestlé products. The results were slow in coming, but dramatic. The World Health Organization passed a code of conduct for the marketing and sale of infant formula, and Nestlé changed its marketing practices for infant formula.²⁹

Most important, the baby formula campaign was a transnational social movement, linking doctors, nutritionists, development experts, missionaries, and other individuals across borders. It inspired other individuals and groups to work internationally (such as the disinvestment campaign to end apartheid in South Africa). It also encouraged Mark Ritchie to find global common ground among citizens’ groups on ways to protect small farmers, consumers, and the environment, while encouraging trade.³⁰ This goal, he believed, required working with citizens and public officials of many nations.

Ritchie already had close relations with Canadian environmentalists, social activists, and farm groups. In 1987 he focused his efforts on European activists. He gave a speech at a conference in England sponsored by the Catholic Institute for International Affairs. This speech inspired some of the attendees to think differently about trade policy. Among those inspired were Kevin Watkins of the Catholic Institute for International Affairs (a development activist now with Oxfam), Tim Lang (a food safety and consumer expert), and Colin Hines (an environmental activist and now Green Party strategist).³¹ All these individuals remain involved in the globalization debate.

Ritchie also worked with farmers from Canada, Japan, Europe, and some Third World countries to forge a common strategy. These

farmers seemed to have little in common. However, at a December 1987 summit meeting in Geneva, the home of the GATT, these farmers called for an end to export dumping and issued proposals for countries to strengthen—not eliminate—import barriers. In 1988, thousands of farmers gathered in Montreal at the GATT midterm review and issued a joint statement, the “Montreal Charter.” The charter opened with a statement expressing concern about “the chaotic state of agricultural trade” and proposed solutions to better link farmers’ needs and environmental protection.³² Thus, as early as 1988, farmers and advocates of small farmers were cooperating internationally to protect their national systems of regulatory protection. How were these farmers able to find such common ground? They believed most government programs provided benefits to large corporate farmers, rather than small farmers. In Europe, farmers were protected by high prices, which consumers absorbed, while in the United States, taxpayers subsidized farmers. In nations such as Argentina and Canada, farmers benefited from export subsidies, while in Europe and the United States, many farmers benefited from domestic subsidies. These strategies, however, had different environmental impacts. To environmentalists and food safety advocates, the Europeans seemed to do a better job of reconciling trade, consumer welfare, and environmental policy goals.³³

Ritchie and his allies decided that they could develop alliances with negotiators from other countries. He became close to prominent European trade officials, such as Tran Van Thinh, the European Community’s GATT negotiator, and the Jamaican negotiator, Anthony Hill. Ritchie saw these alliances as a useful way to publicize the concerns of small farmers, environmentalists, and other concerned groups and to build a broad international coalition. He recognized that the Europeans (especially the French) were very concerned about reducing protection for their farmers, who comprised an important political bloc. The European trade officials saw their alliance with Ritchie as a means of tempering the U.S. proposals, especially in the area of agriculture. Sometimes European trade policymakers leaked the American proposals to U.S. NGOs to advance European positions or disadvantage U.S. negotiators. Thus, the Europeans used the NGOs to play off the Americans, and the NGO activists used the European governments to press their positions with their home country negotiators.³⁴

Not surprisingly, this strategy alienated some U.S. trade negotiators. Because Ritchie was hampering the progress of trade negotiations, they came to see Ritchie as a protectionist and a thorn in their side, instead of someone to work with.³⁵ But other Americans began to concur that U.S.

interests could work internationally to influence U.S. and global trade policy.³⁶ For example, the American Agricultural Movement, the League of Rural Voters, the National Farmers Organization, the National Farmers Union, and the National Save the Family Farm Coalition, in a joint press conference with the Japanese Central Union of Farmer Cooperatives (Zenchu), called for a less confrontational approach to trade. U.S. and European farm groups issued statements calling on policymakers to protect family farms instead of concentrating on reducing subsidies. But the Reagan administration conveyed that it did not approve of such non-governmental internationalism. In 1988, Agriculture Secretary Richard Lyng criticized this cross-border organizing and called the farm groups “un-American.”³⁷

Meanwhile, Ritchie returned to the United States and began to lobby other NGOs concerned about agricultural, consumer, and human rights issues. In 1986, Ritchie organized a Minnesota think tank, the Institute for Agriculture and Trade Policy (IATP) to “give voice to the interests of small- and medium-sized farmers, along with the citizens who consume their products, in the global decision-making arena.” The IATP received funding from internationalist and mainstream national foundations such as Ford, Kellogg, MacArthur, and Rockefeller Brothers, as well as left-leaning foundations such as Veatch, Tides, Bauman, and the Ruth Mott Fund.³⁸ It used these funds to write and disseminate a wide range of reports on the potential impact of the GATT. Ritchie tailored these reports to different audiences to arouse their concern about the Uruguay Round.³⁹

Ritchie believed that U.S. citizens and interest groups would be most disturbed by the potential of the Uruguay Round to lower national health and safety standards. In 1989, he began to work closely with a Washington-based think tank, the Community Nutrition Institute (CNI), headed by Rod Leonard, a former agricultural department official. In joint publications, they warned citizens that big food corporations and agribusiness saw GATT as an opportunity to deregulate global food trade and harmonize, and thus lower, food safety standards.⁴⁰ Ritchie wrote to development groups, noting that the GATT proposals “are designed to force poor countries to abandon efforts to achieve . . . food self-reliance.”⁴¹ Many of these reports were overly negative and glossed over any potential benefits of finding common ground internationally on health and safety regulation. But they achieved what Ritchie wanted, which was to inspire a wide range of religious, farm, and consumer groups to examine and disseminate information about the potential impact of the Uruguay Round around

the world.⁴² These nationalist/internationalist efforts stimulated greater public interest in the direction of trade policy. But in 1989, trade policy was about to change. The new president, George Bush, had a different vision of how the GATT system should be revised. The Bush administration said that it wanted to harmonize global regulation on the basis of sound science.

THE BUSH ADMINISTRATION PROPOSALS

From 1987 to 1989, the Uruguay Round negotiations proceeded slowly because participants could not find common ground on agriculture, services, and many other issues. In 1989, to encourage the process, the Bush administration submitted its final version of a comprehensive agricultural proposal. Like the earlier Reagan proposals, this proposal was aimed at reducing government intervention in the agricultural sector. The Bush administration hoped to “prevent the many problems . . . of current agricultural policies,” including “costs . . . that exceed \$275 billion annually, incentives for overproduction . . . and import barriers that misallocate resources, reduce the level of food purchases and limit consumer choice.” However, while the Reagan administration had proposed “*uniform food and health regulations around the world to prevent non-tariff barriers to agricultural trade,*” the Bush administration claimed that its proposals were designed to “*ensure that measures taken to protect animal, plant and human health are based on sound scientific evidence and recognize the principle of equivalency.*” This was a significant change. The Bush proposals did not call for *uniformity*, which could preempt U.S. standards at the federal and state levels, but rather a *harmonization* of food regulations based on standards set by the Codex Alimentarius Commission, a subsidiary of the United Nations.⁴³

Codex is an intergovernmental organization that sets guidelines and standards relating to such areas as food safety, pesticide residues, sampling, and testing methodologies. Delegates to Codex rely on scientific experts to set international standards. Bush administration policymakers thought that Codex would be perceived as fair and unbiased, because it had expertise at building an international consensus, based on internationally determined “sound science.”⁴⁴

Bush administration policymakers believed that this approach would not result in a lowest common denominator of regulations. Nations could maintain higher standards if they could provide scientific justification for such standards. However, these officials presumed that “scientific consensus could provide guidance” in sorting out which

regulations are truly based on health or safety grounds and which are motivated by protectionist intent. But this strategy of reliance on “science” presented other problems to trade policymakers. According to Carol Kramer, associate director of the Resources and Technology Division of the U.S. Department of Agriculture, “Science is not always the exclusive factor in decision-making.” There are divergent safety standards, different risk assessment methods, different tax and subsidies that encourage or discourage the use and development of certain agricultural inputs, and different food production processes. Scientists may not be able to find consensus at the national or international level. What may be determined to be sound science at Codex may not be perceived as equally “sound” at the national level. Finally, sometimes policymakers weigh factors other than science. Kramer was not the only U.S. government official to express such important concerns.⁴⁵

The “terms” of the Bush administration’s agricultural proposals did not receive a rousing reception around the world. Although agricultural exporting nations such as Australia, Argentina, and New Zealand welcomed this attempt to move the process forward, the Europeans made it clear that they disagreed with much of the administration’s objectives and strategies.⁴⁶ However, the Europeans and representatives of other nations also were very concerned about a U.S. proposal to convert all NTBs into tariffs. This proposal may have made trade sense, but it seemed to threaten national flexibility on how to protect citizens or producers.⁴⁷ Some foreign government officials began to see the Bush administration plans as an attempt to force U.S. standards on the rest of the world as well as a threat to their national sovereignty. Ironically, international government concern about the U.S. proposal was mild compared with the furor expressed by some environmentalists, consumer advocates, farm organizations, and other trade agreement critics. They saw the Bush administration’s proposals as a plot by multilateral big business, especially agribusiness, to remake U.S. agricultural policy. They called it “decoupling” because these critics saw it as a covert attempt to decouple support for small farmers from trade policy. The IATP described the Bush proposals as a plan by “Cargill and their supporters . . . to go around Congress by moving the debate and ultimate decision-making to the international trade negotiations at GATT.” To prove their point, they cited as evidence the fact that “this global strategy” was developed by former Cargill executive and current Undersecretary of Agriculture Daniel Amstutz.⁴⁸ Their fears that Bush administration trade policy ignored the needs of small farmers was understandable, although that allegation did not prove their point.

The IATP, the CNI, and the National Toxics Campaign Fund joined together to scrutinize and publicize what they saw as the broad negative impact of the proposals. They hoped to use this information to educate the public and convince them that U.S. trade policy had been designed by and for big business.

Staff at many of these NGOs were suspicious of the administration's strategy of harmonization and its reliance on Codex to determine national standards. They alleged that Codex was captured by big business and only business representatives attended its meetings.⁴⁹ They obtained leaked documents showing that other nations did not concur with the U.S. strategy.⁵⁰ Finally, they organized an international opposition to the Bush administration agricultural trade proposals. In June 1989, some seventy farm leaders from forty-eight countries met in St. Paul, Minnesota, to oppose the official U.S. proposals.⁵¹

Food safety advocates in the United States and Europe were especially concerned about the administration's strategy. They acknowledged that S&P standards could be used to distort trade. But who should decide what was legitimate consumer protection and what was not? The beef hormone case provides a good example of this phenomenon. The Europeans had a long record of protecting their beef *producers*. But in the early 1980s, the European Community (EC) banned beef with hormone implants (in both imported and domestic beef). This ban came about as a result of *consumer* pressure (through the Bureau Européen des Unions de Consommateurs—the European office of Consumers Unions). Although these hormones are naturally occurring, EC policymakers feared the long-term implications of eating beef grown with these synthetic hormones.⁵² Many U.S. producers used these hormones to fatten their calves. The hormones made U.S. calves mature earlier, which in turn allowed U.S. producers to bring their beef to market earlier. Thus, with such hormones, the U.S. could produce beef more cheaply.

Clayton Yeutter, secretary of agriculture and former USTR under President Reagan, thought reliance on science would allow policymakers to distinguish between legitimate and illegitimate (i.e., protectionist) standards such as in the beef hormone case. In an interview with *Farm Journal*, he said, "A new GATT agreement will standardize health and safety rules on a global basis." If the rest of the world can agree on what the standard ought to be on a given product, "maybe the U.S. or E.C. will have to admit they are wrong when their standards differ."⁵³ But the Europeans did not quite see it that way. They had a different notion of sound science and how best to protect consumer welfare.

In 1989, the United States threatened retaliation for their ban on beef hormones. The Europeans refused to lift the ban.⁵⁴ Yeutter may have been relieved when it was reported that the head of the European Alliance for Safe Meat and a member of the European Parliament frankly admitted “the decision to ban these substances was made for political and commercial reasons and not, as the public was led to believe, for consumer protection.” The case continued to bring out the worst in policymakers. When Texas Agriculture Commissioner Jim Hightower made arrangements to ship hormone-free beef from Texas to Europe, Yeutter threatened to prosecute him under the Logan Act for committing a treasonable offense.⁵⁵

Some environmentalists and consumer advocates who had long been internationalists worried that the Bush administration food safety strategy would actually thwart finding common ground internationally. According to Mark Ritchie, “Nation states must retain the right to set more strict standards if they so choose. . . . In the end, the real danger of ‘harmonization’ is that if it does win approval by GATT negotiators, it may create the kind of consumer backlash in Europe, the United States, Japan, and other countries that could set back many important, positive gains of post-war multilateralism.”⁵⁶ But the Bush administration did not see it this way.

Moreover, some U.S. government officials were concerned about the administration’s trade strategy. In 1990, an EPA official publicly acknowledged that Codex’s pesticide standards were often weaker than those of the United States. In an 1990 internal memo, EPA staff worried about the implications of letting Congress abdicate its powers to determine the level of safety appropriate to American society. At the same time, Health and Human Services Secretary Louis Sullivan encouraged states to come out with their own laws in the area of food labeling, in direct contradiction to the views and efforts being made by the USTR and the Department of Agriculture.⁵⁷

Meanwhile, members of Congress were waking up to concerns about imported food and U.S. food inspection. The Subcommittee on Oversight and Investigations of the House Committee on Energy and Commerce described the FDA import inspection program as “fatally flawed.” Some 40 percent of tested samples were contaminated with salmonella, pesticides, insects, and filth or decomposition.⁵⁸ The United States did not have its own consumer safety house in order.

In 1990, a coalition of environmental, consumer, and farm groups organized the Ad Hoc Working Group on Trade and Environmentally Sustainable Development to lobby the Bush administration to change

its proposals. Its leaders seemed to understand that in order to reconcile the goals of trade expansion and consumer/environmental protection, they must distinguish between true consumer protection and traditional trade protection. On June 11, 1990, Eric Christiansen of the Natural Resources Defense Council (NRDC), wrote USTR Carla Hills, noting, “[We agree that] nations should not be allowed to impose protectionist measures disguised as health and safety regulations. We also urge the administration to reexamine the proposal of sanitary and phytosanitary standards submitted by the United States to GATT in October, and to add language that clearly protects the power of the United States and individual states to enact legitimate health and safety regulations.”⁵⁹

*Members of the Ad Hoc Working Group
on Trade and Environmentally Sustainable Development*

American Agriculture Movement	U.S. Public Interest Research Group
Community Nutrition Institute	Center for Rural Affairs
Development Group for Alternative Policies	Consumer Pesticide Project
Environmental Defense Fund*	National Wildlife Federation*
Fair Trade Campaign	National Council of Churches
Foundation on Economic Trends	National Family Farm Coalition
Friends of the Earth	National Toxics Campaign
Institute for Agriculture and Trade Policy	Sierra Club
	Greenpeace

*Supported Clinton approach to NAFTA

This group began to get support on Capitol Hill. On May 21, 1990, some members of the ad hoc coalition urged Congress to pass the Scheuer resolution, which proposed the Congress not approve legislation implementing the Uruguay Round until key environmental objectives were met. The Scheuer approach suggested that international environmental standards “become a floor, not a ceiling” for state and national standards.⁶⁰ The Scheuer approach was less adamant than a competing proposal, the Swift proposal, which would block imports not meeting minimal environmental, consumer, and worker safety standards. Representative Swift hoped to protect U.S. producers from

ecological dumping, where goods produced under lower environmental standards are shipped into the United States. Such goods may have a price advantage because producers did not have to bear the higher costs of environmental protection. Although the Swift resolution was first announced at a press conference sponsored by the Working Group, most of its members concentrated their efforts on passing the Scheuer resolution.⁶¹ In 1990, the Working Group seemed determined to find a middle ground between environmental protection and protectionism masquerading as environmentalism.

Throughout 1990, a wide range of individuals raised questions about the administration's agricultural trade proposals. They were concerned about a wide range of issues, from the impact on regulation to federalism to consumer safety. For example, several members of Congress asked the GAO to review the differences between the Codex and EPA standards for pesticides.⁶² The director of the Idaho Rural Council asked the USTR if the GATT would force policymakers to phase out water irrigation projects. Vermont legislators wondered what this proposal would do to dairy price supports.⁶³

These questions became news. The press, the translators of trade policy to the public, were increasingly aware that trade regulation and social regulation were related. At a May 1990 speech at the National Press Club in Washington, D.C., USTR Carla Hills was asked, "Why doesn't your GATT proposal do more to protect the environment?" Ambassador Hills gave an answer, but it was not to the question posed. She replied, "We want objections raised to food to be based upon real scientific fact."⁶⁴

The Bush administration wanted to reassure American activists that it would not use trade regulation to undermine democratically developed regulations. However, according to former EPA official Dan Esty, Bush administration officials were torn between two impulses: their desire to reconcile trade, environmental, and consumer considerations globally (to rationalize such regulations) and their desire to be responsive to legitimate concerns of U.S. consumer, environmental, and sustainable development groups.⁶⁵ They knew these individuals could exert significant political pressure, especially on the Democrats. Thus, Bush administration officials tried to appease them by meeting with them to hear out some of their concerns.

On August 9, 1990, some of the American trade agreement critics again met with government officials from USDA, FDA, USTR, and EPA concerning the GATT. They stressed that the administration had not

made a compelling case for a new agreement on S&P measures. They argued the proposals must permit public participation: "To deny public access to international decision-making bodies such as GATT . . . is fundamentally undemocratic." Despite their strong words, the Bush administration's GATT proposals did not seem to change.⁶⁶ In the months that followed, many trade agreement critics concluded that the Bush administration shared the Reagan administration deregulatory objectives but simply cloaked them in a kinder, gentler, more responsive strategy.

The kinder, gentler strategy, however, was not yielding international consensus. Trade negotiators were talking in Geneva, but not reaching agreement. To move the process forward, on June 27, 1990, Aart de Zeeuw, chairman of the GATT Agricultural Negotiating Committee, circulated his proposal for the final framework agreement.⁶⁷ But this proposal barely reflected the concerns of environmental and consumer groups in the United States and Europe. Meanwhile, British food safety advocates made a detailed study of the Codex; they alleged that it was dominated by business, that its participants had many potential conflicts of interest, and that the participating NGOs tended to be business groups.⁶⁸ This evidence further soured critics of the Bush administration's proposals.

Slowly, trade agreement critics began to forge a global movement to oppose the U.S. GATT proposals. The National Toxics Campaign Fund in the United States and the Third World Network in Malaysia issued reports on GATT issues and processes. *The Ecologist* in Great Britain published articles by Steven Shrybman of the Canadian Environmental Law Association and Martin Khor Kok Penn (director of the Consumers Association of Penang Malaysia), among others, on the relationship between food safety, national self-sufficiency, environmental protection, and democracy. While Shrybman argued that the GATT must be amended to make the connection between environmental protection and resource conservation explicit in the GATT, Khor argued the only way to make sure GATT elevates environmental values is for our government and legislators "to play a balancing role." These trade agreement critics were raising a wide range of questions about trade agreements. In 1990, however, they did not want to hamper trade liberalization per se or to gut the GATT system.⁶⁹

As this debate unfolded, activists in the United States demanded more, not less, environmental or consumer regulation. California voters passed a strict pesticide ban (Big Green), while several dairy states passed bans on bovine growth hormone in milk (similar to the growth hormones used in cattle). While the United States pushed harmonization within the GATT, the EC attacked such state-level regulation as a

trade barrier, arguing that such regulation “fragments” the American market, making it harder for European producers to serve. They insisted that the United States harmonize its approach to regulation before demanding international harmonization.⁷⁰ Some environmentalists and consumer activists were very worried by this European view that state-level regulations were protectionist. They feared that U.S. negotiators might concede state powers over health and safety measures to get concessions in the EC’s agricultural policies. Thus, they saw this approach to trade liberalization as a threat to state and federal environmental regulation and federalism *per se*.⁷¹

In July 1990, echoing the EC’s concerns about Big Green, the administration decided to challenge California’s higher levels for pesticide protection. In July 1990, USTR Carla Hills asked the International Trade Commission (ITC) to determine whether California’s Big Green proposition could hurt trade relations, noting that the EC had threatened to list it as a trade barrier. This action infuriated many environmentalists and consumer safety activists. Supporters of the initiative accused the Bush administration of orchestrating the ITC hearing to help chemical and agribusiness interests whose costs would rise to meet California’s higher standards. In a press conference objecting to the hearing, Senator Dianne Feinstein argued, “We Californians have a right to safeguard our own health and the health of our children. Under Big Green, our farmers can make a gradual transition to safer alternatives from cancer-causing alternatives.”⁷²

By year-end 1990, almost all the environmental groups opposed the Bush administration GATT proposals. Moreover, only Resources for the Future (an environmental group that tries to reconcile environmental protection and economic growth) still supported trade liberalization in agriculture. The International Organization of Consumer Unions (IOCU) stated that it supported the objectives of the Uruguay Round but objected to the notion that sound science should be the only criteria for determining food standards.⁷³ Representatives of these groups seemed increasingly frustrated by what they saw as the undemocratic nature of the trade policy-making process and its capture by “big business.”⁷⁴

Meanwhile, Ritchie, was still trying to find a middle ground. In 1990, the Dutch Centre for Agriculture and the Environment organized a conference. Participants came from twenty-one countries and included policymakers, scientists, environmentalists, and representatives of farmers’ and consumers’ organizations. They agreed that “the GATT, if properly applied, and amended on some points, could play a positive role towards a newer world, where fair trade does not interfere

with the responsibilities of democratically chosen bodies, where food security is guaranteed . . . and where a highly productive . . . agriculture is integrated into a well-protected environment.”⁷⁵

The Uruguay Round negotiations were due to end in December 1990. But the GATT signatories were unable to reach an agreement on all the issues they had agreed to negotiate.⁷⁶ To move the process forward, Arthur Dunkel, the new director general of the GATT, set a deadline and presented governments with a complete revision of the Uruguay Round Final Act. The 392-page draft (the Dunkel text) included proposed compromise texts drawn up by GATT staff covering areas in which negotiators had not yet reached agreement.⁷⁷ The draft was supposed to be for contracting parties only and thus was not declassified. However, some citizen activists obtained the text of the draft and found it deeply disappointing. Like the Bush administration’s proposals, the Dunkel draft provided that signatories would endeavor to apply only health measures based on scientific evidence and recognized nations’ rights to use stricter standards. It also recognized the benefit of agreement on the equivalency of standards and included a reference to consumer concerns, animal welfare, and environmental protection.

The Dunkel draft was not widely available in the United States, furthering an impression that the process was undemocratic and secretive. As with the NAFTA text, trade agreement critics seized on this secrecy as a way of underscoring that the trade policy-making process was unfair. They insisted that the GATT negotiations be done in an open manner. They asserted that if trade agreements were going to regulate national regulations, the process of developing these regulations must be transparent. However, that was not how trade negotiations were conducted in the past. The negotiators presumed that secrecy was essential because it facilitated the process of granting concessions that might not be politically palatable at the national level without a complete Uruguay Round agreement. In addition, policymakers argued that they needed secrecy to protect proprietary business information given to government negotiators to facilitate negotiations. These same policymakers, however, did not foresee that this secrecy could undermine public support for the agreements they were trying to achieve.

The development of the Dunkel text did not move the process forward. Despite discussion between leaders of the United States, France, and Germany, no further agreement on the Uruguay Round was reached by mid-1992.

On June 19, 1991, Rod Leonard of the Community Nutrition Institute decided that if the trade agreement critics wanted to change the

Bush administration's strategy for the negotiations, these critics should develop a model of a better agreement.⁷⁸ Leonard, working with Eric Christiansen of the NRDC (a market-oriented environmental group), proposed basic principles for reconciling trade and the environment, including sustainable development as the touchstone of trade policy; greater public participation; consideration of the environmental impact of trade agreements; policies to prevent environmental dumping (where firms move to countries with weaker standards); preservation of local and national control; and formal recognition of environmental protection within the GATT.⁷⁹ On May 16, 1991, some of these individuals met with James D. Grueff, a key negotiator for the U.S. Department of Agriculture. They argued that environmental, health, and consumer protections should not be "unduly constrained" by the "niggardly interpretation" of the GATT.⁸⁰ They noted that the role of science in the regulatory process is advisory. They warned, "The U.S. trade proposal would change all of that. A scientific court would be accountable only to those individuals or interests that appoint the members of the court. . . . Science would no longer be an advisor, but would determine what is best."⁸¹ They urged the administration to alter its approach to regulating consumer welfare.

By 1991, however, other individuals came to the fore of the trade debate. Some of these individuals did not share a reformist perspective and were less trusting of government and business. These activists were certain that U.S. trade policy was captured by big business and was designed to covertly lower U.S. standards. Lori Wallach became a prominent leader of this perspective. An energetic, articulate, and forceful young lawyer, she joined Public Citizen as a food safety lobbyist. Wallach had been a television producer before she went to law school. She knew how to use the media to raise public concern about trade issues.⁸² Because she was skilled both as a strategist and a spokesperson, she became a formidable opponent of the Bush and Clinton's administrations' approach to trade. Working closely with Brent Blackwelder of Friends of the Earth, as part of the Citizens Trade Campaign (see previous chapter), these groups adopted a more confrontational approach. They were not afraid to be tagged as protectionists or to work with economic nationalists. These activists were willing to use lawsuits, petitions, and protests to derail the Bush administration's Uruguay Round proposals. But they also worked closely with more internationalist activists such as Mark Ritchie and Rod Leonard.

For example, Wallach, Ritchie, and Leonard, among others, went to Geneva to try to influence the course of GATT negotiations. In a series

of meetings held in Stuttgart, Geneva, and Amsterdam, representatives of consumer, environmental, religious, and farm groups from Japan, Europe, and the United States met with a wide range of national government and GATT officials to present their views and learn about the Uruguay Round's progress. But although the GATT staff were willing to meet with these critics, they could not change the course of negotiations or change national positions. These trade agreement critics began to see GATT staff in Geneva (as well as U.S. officials) as biased against their concerns. They cited a statement by Jean Marc Luc, director of the agricultural division of the GATT. Recognizing that the United States has the only food safety law—the Delaney clause—that sets a zero tolerance for cancer-causing food additives, Luc noted, “World trade cannot survive with a zero tolerance.” These individuals, however, misinterpreted Luc’s remarks as part of a deliberate strategy by the GATT to undermine the U.S. approach to food safety and ultimately all regulations that could distort trade. The GATT had no power to do this, unless all of its member nations agreed to do so as part of a trade negotiation.⁸³

By 1991, leaders of many of these groups had gradually concluded that they could neither remake the GATT to meet their concerns nor get the United States, the most powerful GATT contracting party, to force such changes. On July 8, 1991, Ralph Nader went before the IOCU and urged IOCU members to oppose the GATT, noting that “nothing less than the chance for economic self-determination . . . is at stake.” He called on IOCU to oppose GATT, spread the word against it, and ask governments “why they are trading away citizens rights.”⁸⁴ Nader also endorsed a strategy of working internationally to thwart what he and others saw as covert deregulation.

Meanwhile, ironically, the GATT did make some progress regarding trade and the environment. In February 1992, the GATT Secretariat published the organization’s first-ever report on trade and the environment, noting that “even if a trade measure is discriminatory, a signatory may be able to justify its necessity under [the GATT’s] article XX.”⁸⁵ Policy moves forward in baby steps, but this step was too small for consumer advocates and environmentalists. These activists wondered, “Why . . . dirty your backyard, only to trumpet the virtues of cleaning it up?” They saw the GATT as consciously protecting the corporate elite and not the public good. Their negative view of GATT was strengthened by their view of GATT’s mediation of trade disputes such as the beef hormone case. The GATT, in their view, represented only market values and devalued other values such as protecting the environment or workers.⁸⁶

While GATT was stalled politically in 1992, NAFTA was moving forward. Individuals concerned with social justice, the environment, and family farms, among others, turned their attention toward influencing that process. These groups divided on NAFTA, and that division was deeply disturbing to some leaders, especially within the environmental community. To some degree, the more reformist and more international groups—those who still thought that trade could be reconciled with environmental or social goals—focused on NAFTA and paid less attention to GATT. This would include the members of the Alliance for Responsible Trade, which replaced MODTLE in 1993, and environmental groups such as NRDC, World Wildlife Fund (WWF), and the Environmental Defense Fund. The more confrontational and oppositional groups such as the Council of Canadians, Public Citizen, and the Sierra Club continued to speak out against GATT as well as NAFTA, and their views seemed to have gained ascendancy among progressives.⁸⁷ Meanwhile, in Europe, social activists were equally unhappy with the progress of the Uruguay Round and determined to oppose it by 1992.⁸⁸

While European, Canadian, and American activists found common ground in their opposition to the proposed Uruguay Round, their governments were increasingly disputing trade. For example, in November 1992, as Americans prepared to vote for a new president, the United States and Europe argued about the trade distortions caused by EC oilseed subsidies. The United States threatened to retaliate against a billion dollars of EC exports. On November 5, 1992, the United States announced it would impose a 200 percent tariff on over \$300 million of EC exports, primarily white wine. This threat of retaliation got the Europeans to the table. Trade and agriculture ministers from the United States and the European Union met at Blair House (near the White House) to compromise on agricultural subsidies. They achieved a breakthrough in November 1992, but news of the breakthrough led to a massive farm protest on December 1, 1992, in Strasbourg, France. These farmers did not think trade policy should force changes to farm policy. However, even that breakthrough did not yield a complete agreement. The Uruguay Round was still not complete when Democrat William Jefferson Clinton took office in January 1993.⁸⁹

In 1993, public interest in GATT swelled around the world. The tuna dolphin case alienated many environmentalists. Environmental groups, such as the Sierra Club and Public Citizen, used the case to portray GATT as “GATTzilla,” an enemy of the environment. They plastered posters in many U.S. cities and paid for full-page ads in major newspapers. Gretchen Stanton of the GATT received a small

flood of letters protesting GATT interference with animal welfare and food safety decisions. In the United Kingdom, a coalition of ten environment and development agencies wrote letters of protest to members of Parliament. The UK National Consumer Council publicized the negative effects of the negotiations on European consumers. European NGOs concerned with food safety and sustainable trade also called on their governments to find ways to make “global trade be sustainable.”⁹⁰ Opposition to GATT was also growing in developing nations. In 1992, grassroots social movements held a meeting in India and organized to fight the GATT. The Third World Network, headquartered in Malaysia, argued that the GATT should not be empowered to deal with trade and the environment.⁹¹

Meanwhile, individuals concerned with labor rights also were frustrated by their inability to change the GATT system. Congress directed that labor standards were a negotiating priority in the 1974 and 1988 trade bills authorizing international negotiations.⁹² The Bush administration tried to push for these standards. In 1986, Bill Brock, former U.S. secretary of labor and former USTR, claimed, “Those countries which are flooding world markets with goods made by children, or by workers who can’t form free trade unions . . . or who are denied even the most minimum standards . . . are doing more harm to the principle of free and fair trade than any protectionist group I can think of.” Although the Reagan administration had tried to include labor standards in the Uruguay Round, India, Brazil, and Mexico, as well as many industrialized nations, objected. Officials from these nations saw labor standards as another protectionist strategy. The Bush administration also tried to move these issues before the GATT Council in 1987 and 1990, but other nations remained opposed.⁹³ Officials from these nations feared that by including the enforcement of labor rights in the GATT’s rules, they would lose a key source of their competitive advantage and trade would thus decline. Trade agreement critics, however, saw this lack of progress as evidence that the Bush administration was only committed to rhetoric.

By 1992, many individuals of the left in the United States and abroad had developed an overwhelmingly negative view of trade agreements. Although trade had done much to bring economic growth and improve living standards around the world, they could only see its costs. They had seen little progress on labor rights, and they perceived the GATT proposals as deregulatory. Moreover, they saw GATT as a secretive and undemocratic institution. In the United States, twenty-six environmental and consumer groups called on Congress to reject

the 1991 final act text. The signatories included many environmental and consumer groups that had a long commitment to internationalism.⁹⁴ Approximately one hundred and sixty NGOs from sixty countries wrote to their heads of government to oppose the Uruguay Round. Vandana Shiva of India, a biologist and food safety activist, and Martin Khor Kok of Malaysia, an influential consumer activist, also urged their governments to reject the Uruguay Round. Concern about the Dunkel text did not only come from the left. Sir James Goldsmith of Great Britain, a Conservative member of the European Parliament, also lobbied to oppose the round. In Europe, he was joined by nationalists such as Le Pen of France's National Front and the Movement for France.⁹⁵

CLINTON ROPES A TRADE ACCORD

This negative view of the GATT was not shared by President-elect Bill Clinton. Early on, Clinton won legislation extending the deadline for concluding the Uruguay Round to December 1993 (fast-track). This put pressure on other nations to emphasize their negotiating priorities and seemed to give the United States increased leverage. Japan and the European nations feared that Clinton could be more protectionist than his predecessors, and that fueled their interest in compromising and completing the round.⁹⁶

Clinton did not use that leverage in ways that pleased many trade agreement critics of the left and right. First, he agreed to transform the informal GATT into a permanent umbrella institution: the WTO. The WTO charter provided legal authority for a secretariat, a director general, and a staff and strengthened and unified the trade regime's system of dispute settlement. With agreement on this new structure, the Uruguay Round was finally completed in December 1993 and participants signed the final act in Marrakesh on April 5, 1994.⁹⁷ However, to trade agreement critics of right and left, this new structure threatened to thwart national sovereignty.

Second, the president achieved the establishment of a working party on workers' rights designed to "explore the linkage between international trade and internationally recognized worker rights." The working party was to take into account differences in the level of development among countries, examine the effects on international trade of the systemic denial of such rights, and consider ways to address them. But in the view of human rights and labor rights advocates, worker rights had been examined to death over the last forty years; it was time

for action. They saw it as a lost opportunity to use U.S. leverage on behalf of workers around the world. They argued that the United States should have tried harder to convince other GATT contracting parties of the benefits of including such worker protections within the GATT system, especially since the new agreement included intellectual property protection (protection of the intellectual product of workers).⁹⁸

Third, the Clinton administration was able to obtain some modifications to the original Dunkel draft regarding S&P. Instead of saying that S&P measures must “not be maintained against available scientific evidence,” the language was changed to state that “standards cannot be justified without sufficient scientific evidence.” Thus, science would not be the only criteria for S&P standards. USTR Kantor noted the Clinton administration also safeguarded U.S. rights to establish higher levels of regulatory protection. The USTR published reports describing how the environment and consumer regulation would not be affected by the new GATT rules or the new system of dispute settlement.⁹⁹ The new rules, however, made it harder to justify import restrictions based on consumer environmental rationales. According to Dan Esty, the Uruguay Round agreement narrowed the GATT Article XX general exceptions, saying that environmental regulations should not be “more trade restrictive than necessary.” “Necessary” means least inconsistent with the GATT.¹⁰⁰

Finally, the preamble of the new WTO enshrined sustainable development as an objective of trade. This recognition was extremely important, but at that time many environmental activists saw it as mere rhetoric. In the United States, almost every labor union, consumer group, human rights group, and environmental group came out in opposition to the Uruguay Round.¹⁰¹ The only consumer group publicly supporting the Uruguay Round was the IOCU and its U.S. affiliate, Consumers Union.¹⁰² Thus, almost unanimously, trade agreement critics condemned the Uruguay Round and the WTO for a narrow focus on the commercial benefits of trade to the detriment of other important policy goals. But these trade agreement critics misunderstood that the GATT was deliberately designed to be narrowly focused and insulated from political pressure. The structure helped it sustain its long-term perspective and trade liberalizing mission in the face of challenges from special interests. Moreover, as chapter 2 notes, the GATT was limited to meet the narrow grant of authority approved by the U.S. Congress.

Trade agreement critics weren't the only parties capable of misunderstanding. As former EPA official and Yale Law professor Dan Esty wrote, “The GATT way of thinking failed to recognize the pub-

lic's growing appetite for environmental protection, and other forms of social regulation."¹⁰³ By ignoring and appearing to devalue other important public policy concerns such as human rights, environmental protection, and consumer welfare, trade agreement proponents helped foster an opposition to multilateral trade liberalization. Moreover, by not early on addressing critics' concerns, advocates of trade liberalization helped perpetuate a negative image of the WTO as a heartless tool of big business. It became harder for economic internationalists of the left to make a progressive case for trade liberalization and to convince their allies on the left that the objectives of the social compact and trade expansion could be reconciled.

In 1994, the president submitted the results of the Uruguay Round to the Congress. But neither the president nor Congress moved rapidly to gain approval of the round in 1994. The president's top priority was health care reform. Republicans and Democrats alike found many reasons to stall development of the implementing legislation.¹⁰⁴ During the delay, a wide range of groups and individuals came out against the Uruguay Round. Democratic social activists were particularly disappointed. They saw the Clinton administration, a Democratic administration with a strong base of labor and environmental support, as unresponsive to their concerns and captured by international business.¹⁰⁵ But the administration, however much it may have shared the objective of reconciling trade liberalization with social and environmental protections, was unable to convince most GATT contracting parties of the merits of such objectives in 1993.

The trade agreement critics on the left were not able to bring their concerns center stage. Like the NAFTA debate, policymakers did not focus on social issues. Instead the debate turned on how the new WTO might affect American sovereignty. In the United States, trade critics of left and right alleged that this new powerful WTO could force changes to U.S. law if the United States lost a trade dispute.¹⁰⁶ But this was and is not true. If a WTO panel found the United States in violation of the trade rules established under the WTO, the United States had several options: it could change its laws or regulations; it could offer compensation through lowered trade barriers in other areas (or cash payments); or the United States could accept equivalent foreign retaliation through increased barriers to U.S. exports. These same options existed under the GATT, but they were not well understood by members of the general public or WTO opponents.¹⁰⁷ This focus on sovereignty allowed nationalists and traditional protectionists to again dominate the trade

debate. Nationalist Patrick J. Buchanan was among the most forceful opponents of the Uruguay Round.

FIRE ON THE RIGHT

In the early 1990s, Buchanan came to believe that globalization was dividing America into a two-class system. That recognition, he said, transformed him: “The more I read of local businesses and factories shutting down, workers being laid off, towns dying, the more I began to ask myself, the price of free trade is painful, real, lasting—where is the benefit other than the vast cornucopia of consumer goods?”¹⁰⁸ While campaigning in New Hampshire for the Republican presidential nomination in 1991, Buchanan recalls, “Word had gone out that there would be further layoffs at the James River paper mill. [One man said to me], ‘Save our jobs!’ It went right through me.” He decided, “We can do better by the norms of social justice—for all our people.” Buchanan says he was transformed into a “conservative of the heart,” determined to help the “Americans who make things with their hands, tools and machines who are paying the price of free trade.”¹⁰⁹

Buchanan concluded that increased trade was uprooting American norms. He noted that many women now had to work to keep family incomes up. With so many women working, families and society paid a price “in falling birthrates and rising delinquency, in teenage drug abuse, alcohol abuse, promiscuity, illegitimacy and abortions and in the high divorce rate among working parents. The American family is paying a hellish price for the good things down at the mall.”¹¹⁰ There was no evidence, however, that the American family agreed. They certainly liked their imported computers, clothes, chocolates, and other such items.

Buchanan argued that economic policies must be designed to benefit Americans; their international ramifications were irrelevant.¹¹¹ Economic considerations, such as the law of comparative advantage, were also irrelevant. In his view, the only considerations policymakers should weigh in making U.S. trade policy are whether it expands the nation’s manufacturing base and whether it maintains its social and political stability.¹¹²

Buchanan was not the only conservative or nationalist to worry about the implications of trade liberalization for the American economy and American sovereignty. As discussed in chapter 4, some Americans were becoming more militant in their nationalism, resenting what they saw as the growing power of international organizations. Among the most vocal opponents were Phyllis Schlafly, a longtime conservative and proponent of “family values”; Republican Congressman Duncan Hunter; Michael

Lind, former conservative writer and social analyst (who became a senior editor at *Harpers Magazine*); conservative radio host Oliver North; and writer and economic analyst Alan Tonelson.

Tonelson's employer, a nationalist think tank funded by business, the U.S. Business and Industrial Council (USBIC), took the lead in publicizing the dangers of the Uruguay Round to American sovereignty. Kevin Kearns, president of the USBIC organized a press conference that brought Ralph Nader and Pat Buchanan together in opposition to the Uruguay Round agreement. Kearns argued that small- and mid-sized businesses had long feared government intervention, and that the new WTO was international intervention at its extreme.¹¹³

That press conference was an exception. Trade agreement critics of the left and right did not frequently appear together to herald their coalition. But they did cooperate behind the scenes to publicize concerns about the round and to coordinate strategy. For example, they published expensive full-page ads in major American papers to rail against the round.¹¹⁴

The very visible opposition of Buchanan, Perot, Schlafly, and North produced some interesting results among the Republicans whom Clinton counted on to support trade. The president and many business leaders presumed that Republicans would see the benefits of the GATT to economic growth. But many Republicans were truly concerned about what they perceived as the WTO's potential threat to sovereignty. Others were opposed to the new GATT superstructure. On Capitol Hill, Democratic Representative Jill Long and Republican Senators Larry Pressler, Jesse Helms, and Larry Craig, among others, expressed concern that this new WTO would be undemocratic, make decisions in a closed manner, and be staffed by unresponsive faceless bureaucrats. Fifty-five members of the Congress (both Democrats and Republicans) urged President Clinton to delay the vote on the Uruguay Round until July 1995.¹¹⁵ Clinton refused because delay could have jeopardized congressional passage of the Uruguay Round. As mentioned earlier, under fast-track, once the president formally submits implementing legislation to the Congress, both houses must vote up or down on the bill without changes within ninety days. The fast-track time clock would prove to be a major problem for the GATT/WTO; its requirements would further an impression that the GATT/WTO as well as U.S. trade policy were undemocratic.

CONGRESS DEBATES THE GATT/WTO

Because the Uruguay Round was so broad and so controversial, many hearings were held on various aspects of the round during the 103rd

Congress.¹¹⁶ But the implications of changing the GATT to the WTO were never far from the debate. While proponents of the round tried to focus the debate on its benefits and costs to the economy as a whole, much of the public and congressional debate focused on the WTO's potential impact on American sovereignty. The Senate Commerce, Senate Foreign Relations, and House Ways and Means Committees held specific hearings on the WTO and how this new institution might affect U.S. law.¹¹⁷ This focus was a small victory for these trade agreement critics; although they had not achieved their goals within the negotiations, they did set the terms of congressional debate.

That debate sounded familiar. Sovereignty has long been a "trade" issue. For example, John Quincy Adams said "protection is the price of allegiance. When a government ceases to protect, it must cease to claim obedience or submission."¹¹⁸ Thus, there was historical continuity to fears that the WTO could alter the ability of the American people to determine their destiny. But few individuals concerned about finding a complementary approach to expanding trade and investment as well as protecting the environment and workers' rights argued that nations must cede some degree of sovereignty in the interest of developing international rules to govern globalization. These individuals kept relatively quiet during the Uruguay Round debate.¹¹⁹

The debate over GATT/WTO raised important questions about whether or not American law and institutions should adapt to the global economy. Even supporters of strengthening the GATT infrastructure questioned the WTO's effects on sovereignty. Clyde Prestowitz, former trade negotiator and president of the Economic Strategy Institute, noted that "the environmentalists . . . are correct when they express their concern for the potential reversal of U.S. regulations via findings of the WTO."¹²⁰ To some opponents, the WTO would not only affect the ability of individuals to influence government, it would upset federal-state relations (federalism). One of the most interesting arguments used by WTO opponents was that of states' rights—the rights of states to preserve their standards for health and safety. On June 27, 1994, twenty-two state attorneys general wrote President Clinton asking the administration to "explain how states will be able to defend their laws from foreign challenges before World Trade Organization panels." They also asked if implementing legislation can guarantee that the federal government will accept trade sanctions rather than pressure states to change state laws that are successfully challenged in the WTO.¹²¹ Sierra Club attorney Patti Goldman noted, "The current structure gives the federal government the power through preemption, withholding federal funds, and litigation to

compel changes in state laws that conflict [with trade agreements].” Although the administration consults with state governments on state standards, the federal government has the power to “trump” state law. In advertisements opposing the WTO, the Sierra Club argued that foreign nations will use the GATT/WTO to challenge these laws, noting “every state is affected.”¹²²

Senator Bob Dole, the Republican leader, heard the concerns about sovereignty. On August 28, Senator Dole wrote an editorial in the *Wichita Eagle* suggesting that members of Congress take their time in assessing the GATT/WTO. Although Dole stated he was “not trying to hustle opposition to the GATT,” he argued that the administration was ignoring legitimate concerns about how the GATT/WTO would affect American laws and practice. The senator said he was receiving about two thousand phone calls a day on GATT. GATT/WTO proponents were alarmed by Dole’s actions, for he had long been a supporter of both internationalism and freer trade.¹²³

Ambivalence about the WTO, especially among Republicans, served to legitimize fears about its potential impact on U.S. sovereignty.¹²⁴ To counter that ambivalence, the Clinton administration named names. In testimony to the House Ways and Means Committee, USTR Michael Kantor, noted that “everyone from Consumers Union, from . . . Jack Kemp to Judge Bork . . . have said that U.S. sovereignty is not affected, in fact may even be enhanced.”¹²⁵ The administration distributed a letter to every member of Congress discussing its dispute settlement mechanisms, how decisions would be made in the WTO, and how these decisions would affect U.S. law.¹²⁶

Throughout 1994, members of Congress remained concerned that the WTO could undermine U.S. laws. They raised questions about how it would affect the American system of social and environmental regulations.¹²⁷ But to many Republicans and business leaders, such linkages were anathema. Congressman Newt Gingrich pressed USTR Kantor about whether he would use the WTO “to expand labor and environmental standards,” thereby transforming the GATT into more than a trade agreement. The USTR responded by saying that “addressing the intersection of labor standards and . . . environment and trade will only help enhance a world trading system.” Ironically, many of the same “purists” in business and in Congress would find themselves defending a GATT/WTO that included a Committee on Trade and the Environment and congressional implementing legislation that would direct the president to seek a working party on labor standards within the WTO.¹²⁸

The debate was also surprisingly ironic. For example, to encourage *American* opposition toward the WTO, Lori Wallach of Public Citizen cited the 1992 letter of three hundred *international* groups; she called it an “international movement against this agreement.” As further evidence of how international these issues had become, Sir James Goldsmith, a member of the European Parliament, traveled to Washington to testify against the Uruguay Round. He justified his appearance before Congress by stressing, “Whereas I would never even consider making a comment on matters which concern U.S. domestic political matters, this is an international cooperative effort which affects us identically.”¹²⁹

Given this domestic and international concern, the Senate Committee on Government Affairs reported the bill “without recommendation,” noting that the authority of the WTO does not supersede the sovereign powers of state governments or the federal government. However, the committee issued a warning about the WTO’s potential impact on U.S. sovereignty: “This committee takes very seriously the issue of federalism.” They promised to hold executive branch officials accountable to ensure that U.S. sovereignty is protected and that the WTO becomes more democratic.¹³⁰

On September 27, 1994, final drafts of the implementing legislation were introduced in both houses and referred to the relevant committees of jurisdiction. The ninety-day time clock had begun, and it included the midterm election in November. But a Democratic senator, Ernest Hollings, stopped the clock, holding the implementing legislation in his committee, the Senate Commerce Committee, for forty-five days. The vote was delayed until after the congressional election. The House was scheduled to return on November 29, 1994, for the sole purpose of considering the Uruguay Round agreement. The Senate was now scheduled to reconvene on November 30 and to vote on December 1 on the agreement. While lame duck members of Congress might feel free to vote their opinion, supporters of the Uruguay Round bill worried that a lame duck session might not have the political will to approve U.S. participation in this new international organization.

This concern helped invigorate the GATT/WTO’s proponents. Business groups, as usual, took the lead. They tried to keep the GATT/WTO from becoming an election-year issue, and they stepped up their lobbying with a multimillion-dollar print and television media campaign. The Alliance for GATT Now sent out press releases noting that former trade officials, forty governors, former presidents, and four hundred and fifty leading economists endorsed the Uruguay Round. They issued fact sheets on related issues such as sovereignty.¹³¹ How-

ever, while they made macroeconomic arguments in support of the Uruguay Round, they made little mention of its effects on the social compact or on citizens' daily lives.

Meanwhile, WTO opponents forged a broad coalition well versed in influencing Washington. WTO opponents included neopopulists, the NAACP, United We Stand, small farmers, the AFL-CIO, small businesses, isolationists, business leaders, human rights activists, libertarians, environmentalists, and community activists. But the more internationalist environmental groups such as the WWF, the Environmental Defense Fund, and the NRDC seemed relatively muted.¹³² The opposition lobbied and made the rounds of talk shows and community centers. While Public Citizen condemned GATTzilla, United We Stand protested "the general agreement on tyranny and treason." Lori Wallach, and devoted economic nationalist Bruce Warnick of United We Stand, worked hard to ensure that concerns about sovereignty got a lot of attention on Capitol Hill.¹³³ The arguments these critics made, about the Uruguay Round's effect on equity, sovereignty, and democracy, were easier for citizens to relate to and comprehend.

By 1994, the torch of trade agreement criticism had been passed to Lori Wallach of Public Citizen. She and her allies skillfully used the media to argue that congressional approval of GATT was undemocratic. They noted that most members of Congress hadn't read the implementing legislation and had no idea about the powers of the WTO. To get public attention, Ralph Nader, the founder of Public Citizen, challenged every lawmaker to take a quiz on the GATT. Only one senator, Hank Brown of Colorado, took him up on the quiz. To derail the GATT/WTO, opponents next looked to the 1994 congressional election.¹³⁴

When the Republicans won a majority in both houses, from the White House, the Uruguay Round's fate looked iffy. The media interpreted the Republican victory as a repudiation of President Clinton's leadership. Some Republicans threatened to deny Clinton a victory to show their power, despite the fifty-year record of trade bipartisanship. Moreover, the administration could not necessarily count on the Democrats to vote for the Uruguay Round bill. No one knew how Democrats would vote. On the one hand, retiring and defeated members could vote however they wanted, without voter punishment. On the other hand, their vote could be discredited as not legitimately reflecting their constituents. Yet the White House said little to make the WTO more palatable to traditional Democratic constituents concerned about trade and workers, human rights, and the environment.¹³⁵

Despite a growing nationalist backlash among Republicans, spawned by the opposition of Buchanan and Ross Perot, the Republicans came through for the president. The Republican party leadership and campaign finance donations from business supporters of the Uruguay Round kept members in line. Campaign finance donations also seemed to persuade some key Democrats. However, many Democrats understood the need to govern the global economy and the potential benefits of the more comprehensive WTO. Although they were scared of alienating key constituents, these Democrats felt that the Uruguay Round was a small step forward.¹³⁶

Almost one month after the election, Congress overwhelmingly voted in favor of the GATT/WTO. Seventy-six percent of both houses voted in favor of the Uruguay Round Implementing Act on December 1, 1994. However, because the GATT was approved in lame-duck session, Pat Buchanan, Lori Wallach, and other trade agreement critics argued that it was rammed through the Congress.¹³⁷

The Uruguay Round was controversial in other nations as well, such as India, Brazil, Mexico, and the Philippines. In these nations, some environmentalists, consumer activists, and farm groups also urged its defeat. But their leaders saw the Uruguay Round differently: as a way to further regulate industrialized country protectionism.¹³⁸ Meanwhile, European nations and Canada also approved the round in the hopes of fostering economic internationalism and expanded trade. With more than one hundred and twenty members, the WTO officially superseded the GATT on January 1, 1995.

WARNED BY MARK RITCHIE, an unusual alliance of consumer, civic, religious, farm, and environmental groups around the world came together to influence the Uruguay Round of the GATT. These activists worked both nationally and internationally. They forged an alliance that not only transcended traditional concepts of left and right, nationalism and internationalism, and freer trade and protectionism, and it also changed how trade policy was made. The activists protested in the streets, played off governments, and challenged the trade negotiating process as undemocratic and secretive.

In the end, the WTO did not include labor standards and had done little to place environmental considerations on a par with trade. But trade agreement critics had in fact made considerable progress. They had greatly shaped both the elite and the public debates over trade agreements. No longer could people argue that food safety, labor standards, and other aspects of the social compact were not trade issues.

However, what many trade agreement critics gleaned from the GATT debate was that trade agreements were deregulatory.

In January 1994, some of these activists decided that they had tackled only part of the problem by criticizing trade agreements. Maude Barlow and Tony Clarke of Canada, Edward Goldsmith and Helena Norberg-Hodge of the United Kingdom; Vandana Shiva of India; Martin Khor of Malaysia; and Lori Wallach, Jerry Mander, John Cavanagh, and Mark Ritchie of the United States, and other activists met in San Francisco to convene a new international organization, the International Forum on Globalization. These individuals aimed to “expose the multiple effects of economic globalization in order to stimulate debate” and “to reverse the globalization process by encouraging ideas and activities which revitalize local economies.” These trade agreement critics noted that the world needs new international agreements “that place the needs of people, local economies and the natural world ahead of the interest of corporations.” With this organization, trade agreement critics could find common ground on how to speak out against the real problem: “economic globalization.”¹³⁹ Moreover, they offered an alternative strategy, a sort of *ecological nationalism*.¹⁴⁰ This broader critique did not alter their strategy of thinking locally and acting globally. These trade agreement critics remained determined to protect their national systems of consumer environmental, and worker protections.