

# WTO, NAFTA, and Oregon

by Barbara Dudley

Global trade, the World Trade Organization (WTO), the North American Free Trade Agreement (NAFTA), and the growing number of related trade agreements into which the United States has entered have had a powerful impact on the economy of the Pacific Northwest. Is global trade good for Oregon's economy? Do the international agreements which currently govern global trade serve the interests of Oregonians? These were the questions we posed to our authors. Their reply was a resounding "it depends." It is impossible to address these questions without first asking "whose economy?" and "which people?"

One of the most difficult aspects of the debate about global trade is that the terms are seldom defined. As State Economist **Tom Potiowsky** asks, "How do we measure benefit to the economy?" Is it net value of exports versus imports? Net numbers of jobs created? Does it matter what those jobs pay? Whether they provide health benefits? Pensions? Job security? Does increased shareholder wealth in companies whose plants are all overseas add up to a benefit to Oregon's economy? In this issue of *Oregon's Future* **Tim Nesbitt**, President of the Oregon AFL-CIO, also tackles the question of globalization's benefit to Oregon and **Scott Goddin**, Director of the Portland US Export Assistance Center, responds.

The U.S. consumer economy is creating an astronomical trade deficit which many economists

and policy makers find troubling (see Representative **Peter DeFazio's** article). Another danger facing the economy is global overproduction in everything from agriculture and steel to telecommunications capacity, resulting in prices well below the cost of production, lost jobs, and falling corporate share value (see sidebar by **Paul Theirs**).

Also in this forum, several authors—including **Raymond Mikesell**, **Ronald Davies**, **Jim Bailey**, and **Tony Rufalo**—present the classic argument for free trade: while there will be winners and losers, overall everyone will benefit from global trade, as each country exports those products which reflect its comparative advantage and imports those products it cannot produce as efficiently or cheaply. While this argument might have worked in the time of Adam Smith (who wrote *Wealth of Nations* in 1776), it may not reflect present realities. Two centuries ago, domestic laws, technological realities, and political loyalty kept capital at home. "Smith presupposes that the capitalist is first and foremost a member of the national community."<sup>1</sup> Trade was indeed among nations.

Today, however, there is no such thing as a national corporation. Capital moves around the globe at astonishing rates, trillions of dollars cross borders every day, at the click of a mouse. The WTO is as much about investment as it is about trade: it guarantees investors access to the cheapest labor and the cheapest raw materials anywhere on the

planet. Much of global trade is intra-corporation, from one subsidiary to another of a single multinational conglomerate. Many of these conglomerates are economically larger than many of the world's poorer countries. Today more than 40 percent of U.S. exports, and nearly 50 percent of its imports, consist of goods traded within firms, rather than in the open marketplace.<sup>2</sup> Goods are shipped from country to country and components are added at each stop. The volume of foreign direct investment is accelerating explosively. How do we judge whether the sale of a pair of Nike shoes, made in Vietnam for pennies and sold in the United States for over a hundred dollars, benefits the Oregon economy? This is no longer the world of Adam Smith.

Moreover, as several authors argue, it is not simply the trade in goods and services, the net value of exports versus imports, jobs lost versus jobs created, which determines whether the trade agreements are favorable to Oregonians. NAFTA and the WTO also have a potentially profound impact on governance, public health, public services, and environmental concerns. The 2001 Oregon Legislature, fairly evenly divided between Republicans and Democrats, passed with only one dissenting vote a resolution expressing concern with the impact of these trade agreements on the ability of state and local elected officials to address the needs of their constituents and to provide for eco-

economic development, food safety, natural resource conservation, and the like (see sidebar on Oregon Senate Joint Memorial 2).

## Basic History of the Trade Agreements

In 1986, with the opening of the "Uruguay Round,"—the eighth round of negotiations under the General Agreement on Tariffs and Trade (GATT)—a whole new generation of trade agreements was born. At its inception in 1946, GATT was designed to remove the high tariff barriers that were blamed by many for the Great Depression. The first seven rounds of negotiations regarding GATT were near-



ly exclusively about tariffs, with the aim of reducing tariffs and quotas on specific commodities, and bringing in new member countries. Between 1946 and 1986 the number of participants in GATT grew from 25 to 90 (the WTO today has 140 members), and tariffs were reduced on average from 40 percent to 4 percent.

The final agreement of the Uruguay Round signed in 1994 created the World Trade Organization and included many new trade agreements in addition to the GATT. The document that was presented to the United States Congress for ratification—on a 90-day “fast track” which allowed no amendments—weighed more than 350 pounds and was thousands of pages long. Few, if any, members of Congress knew the details of the treaty on which they were voting. It has only been in the subsequent years that many of our national legislators and other signatory countries have understood the details of the agreements that they signed. A full understanding of how NAFTA and WTO rules affect our local economies and standard of living still eludes many politicians and, even more, ordinary citizens whose lives will be changed by implementation of “fast track” agreements. While **Jim Bailey** argues in favor of giving the president fast track authority, he acknowledges that this would give our own executive the opportunity to end-run the democratic process.

The WTO—and the trilateral NAFTA, which was signed in 1993—represented a dramatic departure from the earlier GATT, introducing many far-reaching non-tariff elements and an unprecedented dispute resolution and enforcement mechanism to address alleged violations. As a

result of these new non-tariff elements, the WTO and the NAFTA have also spurred the growth of a broad-based global movement—called by its detractors an anti-globalization movement and by its adherents a global justice movement.

Some of the more significant non-tariff elements introduced in the Uruguay Round of negotiations were 1) elimination of domestic agricultural subsidies and import controls; 2) inclusion of trade in services; 3) introduction of a host of forbidden non-tariff, or “technical,” barriers to trade; 4) inclusion of rules regarding intellectual property protection, extending patents to seeds and drugs as well as more traditional forms of intellectual property, and creating a uniform 20-year patent rule for all members; 5) inclusion of investment measures requiring the opening of all enterprises in member countries to competition from foreign corporations; 6) rules regarding government procurement policies; 7) a dispute resolution system which was binding on all members and enforceable through trade sanctions. (*Jim Bailey describes this process in his sidebar on the Dispute Settlement Board.—ed*)

Some of these proposals are still under negotiation in the WTO, while some are being phased in over a period of years, but all of the elements listed above are either in force or still being negotiated. None has been taken off the table. They are basic elements as well of both NAFTA and the proposed Free Trade Area of the Americas (FTAA) which would extend NAFTA to all of Latin America except Cuba.

### **Agriculture**

Few aspects of the Uruguay Round negotiations have spawned

## **A Comment on the Complexities of Dispute Resolution in the WTO and NAFTA**

Each side in the debate on free trade puts so much spin on events that it is difficult to know what has really transpired in cases brought before tribunal panels under either NAFTA or the WTO. In “The WTO Trial”, in the January/February 2003 issue of *Foreign Affairs*, Susan Esserman and Robert Howse describe how both hardcore free traders and anti-WTO activists level the charge of judicial activism against the WTO’s panelists. Esserman and Howse explain the complexities behind the panels’ decisions, including the tactics the EU lawyers used in the beef hormone case, and the “precautionary principle” Barbara Dudley refers to in her introduction to this forum.

Esserman and Howse note that not all states are equal in their ability to use the WTO’s laws to advance their own interests. This is a concern also noted by Dudley. Esserman and Howse suggest that it would be possible to require a developed country that loses a case against one of the least-developed ones to pay at least a portion of the winner’s legal costs. These and a host of other issues discussed in the *Foreign Affairs* article reveal the complex nature of the dispute resolutions process, the rationale for the process, as well as many people’s concerns about the process under the WTO.

In this issue of *Oregon’s Future*, William Liess and Stephen Hill comment on a complaint brought against the Canadian government by Ethyl Corp., a U.S. firm, and Jim Bailey explains the nuts and bolts of the WTO dispute resolution process and some of what he perceives to be misconceptions about the WTO and NAFTA. Bailey also addresses what many believe to be the real problem with secrecy in the dispute resolution process.

*Jay Hutchins, Executive Editor*

*(The article “The WTO on Trial” can be accessed for free at [http://www.wtowatch.org/library/admin/uploadedfiles/WTO\\_on\\_Trial.htm](http://www.wtowatch.org/library/admin/uploadedfiles/WTO_on_Trial.htm) or for a fee on *Foreign Affairs’* Web site.)*

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more heated debate than the Agreement on Agriculture (AoA). The AoA addresses both domestic subsidies and import controls, neither of which was covered before 1995. The United States finds itself at odds with virtually all of the other members of the WTO over its position on agriculture, which proposes eliminating farm subsidies which are tied to supply management, raising its own farm subsidies to record levels through the 2002 Farm Bill. Developing countries decry what they describe as hypocrisy, while the European Union and Japan resist eliminating their own considerable subsidies in the face of the U.S. position. In this issue of *Oregon's Future*, **Sophia Murphy** and **Paul Thiers** discuss the important and complex issues surrounding international trade in agriculture.

subsidized commodity producers in the United States. However, as **Paul Thiers** discusses, traditional notions of “dumping” are not useful when analyzing market failures caused by overproduction on both sides of the Pacific, and, as **Troy Johnson** outlines, not all Oregon farmers are losing out—some are thriving in new export markets.

### Trade in Services

One of the most overlooked but potentially far-reaching agreements in the WTO is the General Agreement on Trade in Services (GATS). This agreement is not about tariffs but investment, competition in providing services, and privatization. It seeks to open member countries' service sectors to competition from foreign corporations. The service sector, the U.S. economy's largest, includes many industries which are tradi-

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Although the earlier GATT generally prohibited import and export controls, it created exemptions for agriculture. The WTO's AoA, however, leads toward the elimination of both export and import controls on agricultural products. Eliminating import controls has led to foreign imports that are driving Northwest fruit and berry farmers into bankruptcy, while subsistence farmers in developing countries are forced off the land by competition from

tionally considered in the public domain, publicly owned or at least heavily regulated, even in the United States. For example, postal service, water service, telecommunications, electrical utilities, education, transportation, broadcasting, and banking have all been subsidized or operated by government entities and heavily regulated throughout our history, because they were viewed as serving the public good or the common welfare.

## More Rules No One Knows: Trade in Services and Current Negotiations

In 1994, when our congressional representatives signed us up to be part of the WTO, they also obligated us under the General Agreement on Trade in Services (GATS). The GATS is one of many separate agreements included in the WTO package of agreements. The GATS contains rules governing trade and investment in services for all WTO members—currently over 140 countries around the world.

Most people have never heard of the GATS because there's been almost no public debate about it. However, even though we haven't yet debated the merits of the existing GATS rules, important negotiations are currently underway to significantly expand them.

Negotiators of the Free Trade Area of the Americas (FTAA) also want to include a powerful set of services, trade, and investment rules in the FTAA agreement. The FTAA is currently under negotiation and would expand NAFTA to cover all countries in the Western Hemisphere except Cuba. Probably, the FTAA services rules will be similar to the GATS rules but apply much more broadly. For the most part, the GATS rules cover only services that countries specifically commit to coverage, whereas the FTAA services rules will likely cover all services that countries do not specifically negotiate to exempt. In trade terminology, this difference is described by saying that the GATS agreement is “bottom-up” while the FTAA agreement will likely be “top-down.”

### What services are covered?

While individual rules may not apply to all services, the GATS and the FTAA in principle cover about 160 separate services, which involve a broad spectrum of activity in our society. Services include health care, education, water delivery, telecommunications, construction, mail delivery, banking, food preparation, transportation, and much more. The easiest way to determine whether something is a service is to keep in mind that services include everything for which you have to pay but that you cannot drop on your foot.

### Whose Conduct Is Covered?

Though negotiated by only a few international negotiators, GATS rules apply broadly to all government

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actions by any government at any level: national, state, and local. The FTAA will probably also cover all types of government action at all levels of government.

While the GATS and draft FTAA contain extensive rights for corporations, they contain mainly obligations and constraints for governments. Despite this, most of our national, state, and local elected officials still know almost nothing about global trade in services rules.

Because the negotiations currently underway would significantly expand the GATS and would create far-reaching services rules in the FTAA, this is a critical time for workers, environmentalists, and the public to gain an understanding about how these rules impact their interests.

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*Editor's Note: Interestingly, although Cuba is a founding member of GATT and a member of the WTO, it has not appealed the U.S. imposed trade sanctions.*

Proposed WTO rules do not allow discrimination between public and private, domestic and foreign providers of these services. Critics of WTO and NAFTA argue that this is a backdoor way to privatize public services and that it needs to be debated in a democratic and open forum, not behind closed doors in trade negotiations. A current suit brought under NAFTA by United Parcel Service challenging Canada's preference for a publicly-owned postal service may be the tip of the iceberg. The United States recently presented its proposal as part of ongoing GATS negotiations that all post-secondary educational programs be included in service negotiations and open to foreign competition, which would then call into question public subsidies or tax and other preferences for public institutions of higher education (*see Barbara Dudley's sidebar on higher education attached to Raymond Mikesell's article.—ed*). The European Union has responded with a lengthy list of U.S. laws and regulations which would need to be amended to facilitate trade in services (the list of EU demands released on February 25, 2003 is available at [www.tradewatch.org](http://www.tradewatch.org)).



### **Non-tariff Barriers or "Technical Barriers to Trade"**

The Uruguay Round introduced the prohibition of non-tariff barriers (NTB) to trade, which are any laws or governmental policies that are not tariffs but that affect trade. It can include, among other things, regulations relating to food safety, environmental or labor standards, or consumer safety. GATT Article XX contains exceptions for laws that are "necessary to protect human, animal, or plant life and health," and laws "related to the conservation of exhaustible natural resources". But Article XX has been interpreted by the WTO to require that the laws in question be the least trade-restrictive method to achieve the stated environmental or food safety goal, a standard that has been met only once after six years of WTO dispute resolution.

The WTO also permits a challenge to environmental or food safety regulations based on the Sanitary and Phytosanitary Agreement (SPS; sanitary refers to human and animal health, phytosanitary refers to plant health). The SPS sets strict limits on WTO members' authority to enact laws pertaining to food safety, contaminants, additives, plant pests, and animal diseases and invalidates those regulations that are based on "insufficient" scientific evidence. The SPS does not create uniformity in international food safety standards, nor does it set a base line for such standards. Instead, it sets a ceiling; member states cannot enact regulations more stringent than those recognized as "scientifically sound" by the WTO. There is no legal basis for the WTO to judge a food safety standard to be too low, only to be too high.

Challenges to food safety regulations have been a source of great controversy in the WTO. The United States and other countries have successfully challenged dozens of food safety regulations as not based on "sound science". The EU has countered by asserting that a "precautionary principle", which permits government action based on compelling evidence rather than absolute scientific certainty, should be accepted by the WTO. One of the most dramatic cases brought to date forced the EU to accept hundreds of millions of dollars in trade sanctions for its refusal to import U.S. beef treated with artificial growth hormones which allegedly cause early onset of puberty and other reproductive health problems. (*See sidebar on complexities p.5—ed*) Biotech and agribusiness companies are now pressuring the United States to bring a similar action challenging the EU's barrier to the import of genetically-modified food products.

### **Rules Regarding Intellectual Property Protection**

The Uruguay Round resulted in an agreement on "trade-related intellectual property" (TRIPs), creating a uniform 20-year patent regime for all members, with a ten-year phase-in period for developing countries. NAFTA and the proposed FTAA include similar provisions. The most controversial aspect of this section of the agreements is that it extends patents to pharmaceuticals, seeds, and gene sequences, none of which have previously enjoyed patent protection in most countries, as these have been generally considered public goods. Pharmaceutical and biotech corporations argued strongly for the protections, even

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using the WTO to extend U.S. patent protection from 17 to 20 years. While an international regime on intellectual property rights in this age of global trade is probably advisable, it deserves serious Congressional and public consideration as to its scope, limitations, conditions and applicable sanctions. **Sean Fitzgerald** discusses the rationale for the current paradigm governing IP issues in his sidebar titled "Intellectual Property Rights".

### Investment Measures

The Uruguay Round agreement on Trade-Related Investment Measures (TRIMS) has already eliminated many of the protections developing countries used to control capital outflows and to encourage the transfer of technology from foreign investors to domestic entrepreneurs and workforces. The United States and the EU also proposed broader measures requiring the opening of all enterprises in member countries to investment by foreign capital or competition from foreign corporations, but so far these more sweeping measures have been blocked in WTO negotiations by the representatives of developing countries.

Although these measures are not yet operational in the WTO, they were included in NAFTA and the draft text of the FTAA. Investment and competition proposals have come under heavy criticism from the United Nations Committee on Trade and Development (UNCTAD) because such measures prevent developing countries from building a domestic economy based on governmental intervention and/or control of industrial policy and state control over the financial sector. These measures are often credited with the success of the

economies of South Korea, Taiwan, Malaysia, Singapore, and the other "Asian Tigers" in the 80s and early 90s. The removal of controls on foreign capital and foreign corporations forces nascent industries in poorer countries to compete with vastly more productive and better capitalized foreign manufacturers. Many economists—including Joseph Stiglitz, former Chief Economist of the World Bank—believe this will consign developing countries to a perpetual state of economic dependency.

### Rules Regarding Government Procurement Policies

The WTO Agreement on Government Procurement (AGP) would prevent the government of any member country from using its purchasing power to accomplish any social or economic ends. Under the agreement, all companies, foreign or domestic, public or private, must be equally considered in awarding government contracts or making purchases. It is impermissible to make distinctions among products based on how or where they are produced. This is the provision that Japan and the EU used to challenge a Massachusetts law prohibiting state purchases from companies doing business in Burma because of Burma's deplorable human rights record. (This case was resolved, however, not by the WTO but in U.S. District Court pursuant to a suit brought by a group of 550 U.S. corporations. The court ruled that Massachusetts couldn't enforce such a law because it interfered with the executive branch's exclusive authority to conduct foreign policy.)

As **Suzanne Townsend** argues, other types of procure-

ment policies in Oregon which could be found to violate the AGP and similar provisions in NAFTA include the purchasing of recycled materials (48 out of the 50 states have laws directing state agencies to purchase recycled materials); purchasing from local firms to strengthen regional economies; preference for purchases from minority-owned or women-owned businesses; promotion of fair labor standards through bans on purchases of sweatshop products; and preference for firms that adopt innovative technologies, such as solar power, non-toxic cleaning compounds, etc.

The AGP was strenuously opposed by developing countries during negotiations and as a result is one of the few "bottom up" agreements—that is, an agreement which, by definition,

### Dispute Resolution

The new generation of trade agreements initiated in the Uruguay Round introduced an entirely new dispute resolution concept and mechanism. The WTO and NAFTA contain the strongest enforcement procedures of any international agreement now in force. The earlier GATT contained the typical sovereignty safeguards found in most international agreements; consensus was required to bind any country to an obligation, and thus enforcement of a ruling could be blocked by the losing party. The WTO has the opposite mechanism: only consensus can block a WTO ruling and once a WTO tribunal has declared a country's law to be WTO-illegal, the country must either change its law or face serious trade sanctions (*see Jim Bailey's article on the DSB—ed.*)

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applies only to those countries that specifically sign on. To date the United States and 26 other countries, mostly industrialized ones, have signed the agreement. The global government procurement market is worth trillions of dollars annually to some of the world's largest multinational construction, manufacturing, and service industries.

The EU and the United States have challenged each other and have lost some very high profile cases (e.g. regarding Europe's refusal to import hormone-injected U.S. beef and the United States' tax subsidies to exporting corporations). Each has resisted changing its laws and has absorbed trade sanctions in the hundreds of millions of dollars. This is not an option available to

a developing country. Therefore, countries such as Indonesia, Pakistan, and even South Korea have routinely rescinded laws or regulations when faced with a WTO challenge. Dozens of such cases have been documented by the Government Accounting Office in their periodic reports to Congress (available online at GAO.gov). Even Canada changed its postal regulations to eliminate postal subsidies and rate differentials which favored domestic periodicals, rather than face trade sanctions. The United States, on the other hand, continues to defy a WTO ruling against its export subsidies, despite authorization of \$4 billion annually in retaliatory trade sanctions.

Despite the potentially far-reaching impact of the WTO dispute panels, or of NAFTA tribunals, their proceedings are entirely secret and access is restricted to the member countries' representatives. Not only are Non-Government Organizations (NGOs) barred from the proceedings, and unable to obtain the written submissions or opinions, but even state governments whose public health laws might be the very subject of the dispute cannot participate in the proceedings. This, and the secretive nature of the negotiation process itself, has led to widespread concerns about the threat to basic democratic principles posed by the trade agreements. (See **Jim Bailey's** article "Myths about the WTO", which discusses the issues of secrecy in the dispute resolution process.—ed)

The most significant difference between NAFTA and the WTO agreements is that NAFTA contains an additional provision—its notorious Chapter 11—which permits a foreign corporation to sue a government directly for

On April 19, 2001, the Oregon Legislature passed the following Joint Memorial with only one dissenting vote, expressing their concern over the impact of global trade agreements on the ability of the state legislature to govern.

## Senate Joint Memorial 2

### To the Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the Seventy-first Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

Whereas, within the United States federal system, the states are the units of government closest to and most representative of the people of the United States; and

Whereas, the elected officials of the states are able to understand the needs and problems of their constituents and to develop laws and regulations that fit local circumstances within their states and regions; and

Whereas, laws and regulations developed by elected officials in the various states of the nation have been and continue to be a source of national strength and vitality; and

Whereas, recent and proposed international trade agreements contain provisions which appear likely to constrain the ability of elected officials in the various states to continue to address the particular needs and problems within their individual jurisdictions; and

Whereas, said trade agreements appear to conflict with and could invalidate already existing as well as future state laws relating to economic development, agriculture and food safety, taxation, land use control, natural resource conservation, access to courts, labor and human rights, business licenses, competition policy and consumer protection; now therefore,

### Be It Resolved by the Legislative Assembly of the State of Oregon:

That the leaders of the United States Senate and the United States House of Representatives are respectfully urged to empower select committees in each chamber to study proposed and recently approved international trade agreements to determine the extent to which provisions in these agreements may conflict with traditional state sovereignty;

That these select committees be directed to hold hearings throughout the United States to discuss their findings with elected officials within the states and with citizens and to determine the effect of these agreements on local communities and local governments;

### And be it further resolved:

That a copy of this memorial shall be sent to the Senate Majority Leader, the Speaker of the House of Representatives and to each member of the Oregon Congressional Delegation.

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“actions tantamount to expropriation”. This includes any regulatory action which might have an impact on the investor’s anticipated profits. This circumvents the moderating influence of diplomatic considerations which come into play in most WTO disputes. To date, the most significant challenges to national and state environmental laws and regulations under NAFTA have been brought not by national governments but by investor corporations seeking compensation for lost profits due to regulatory controls which may be construed as acts of expropriation. (See **Brent Foster’s** article, the accompanying sidebar by **William Leiss and Stephen Hill**, as well as **Jim Bailey’s** and **Barbara Dudley’s** comments on NAFTA in the glossary.—ed)

### CONCLUSION

The WTO did not create the global economy. To the contrary, it represents an effort to steer the evolution of economic globaliza-

tion. The World Trade Organization administers and adjudicates a series of trade agreements that control the actions of member states. Its mission is to provide a playing field for global trade as free from governmental regulation as possible. The WTO puts no limitations whatsoever on the behavior of corporations. Nor does any other global agreement or institution. Nation states are uniquely responsible for the

regulation of corporate behavior—from the chartering of the corporation, to the passage and enforcement of antitrust laws, securities rules, environmental controls, labor laws, criminal laws, taxes, and capital controls. The nation state, however, is far less able to effectively regulate corporate behavior in this era of multinational corporations and a global economy. Even without the constraints imposed by the WTO, the ability of the nation state to control the behavior of a global corporation is severely eroded simply by virtue of the fact that the corporation can move capital and goods and access labor around the world at the click of a mouse.

The proponents of the WTO can demonstrate that the deregulation of global trade has increased trade and wealth in many countries of the world. Exporting industries—especially high-tech and commodity agriculture—are seen as the engine of future economic growth in

and environmental agreements which Congress recently sought to include in future trade agreements would only bind member states to enforcing their pre-existing labor and environmental laws, but give them no new tools with which to do so, and provide no brake on corporations that choose to move their operations to countries which have fewer regulations.

For better or for worse, the WTO, NAFTA and their progeny are what we have as rules of trade. Are they what we want?

Even the most ardent free trade supporters often agree that the global agreements governing trade need revision. One effort to find some common ground on global trade agreements is contained in a “yardstick” proposed by a fairly broad coalition of Oregon organizations. **Karen Goddin** of the Pacific Northwest International Trade Association (PNITA) discusses this in her article “Global Trade: What Yardstick Should We Use?” The proposal seeks to form the basis for discussions not only with our Congressional delegation but also with all Oregonians about what we want for our communities and how international trade fits in. While it is unlikely that consensus will be reached any time soon, a dialogue is critical.

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2. William Greider, *One World, Ready or Not: The Manic Logic of Global Capitalism* (New York, New York: Simon & Schuster, 1997), p. 22.



Barbara Dudley received her BA in Political Science from Stanford in 1967, and her JD from the University of California at Berkeley in 1971. She represented GI’s in courts martial in southeast Asia during the Vietnam War, and then practiced law in California with California Rural Legal Assistance and with the Agricultural Labor Relations Board. In 1983, she became the President and Executive Director of the National Lawyers Guild headquartered in New York City; from 1988 to 1992 served as the Executive Director for the Veatch Program, a Unitarian Universalist charitable foundation; from 1992 to 1997 was the Executive Director of Greenpeace USA; and in 1998 was appointed Assistant Director for Strategic Campaigns of the national AFL-CIO. Ms. Dudley moved to Oregon in 1999 where she is a partner in Bethel Heights Vineyard (since 1978), teaches political science at the Mark O. Hatfield School of Government at Portland State University, and works with several labor and environmental organizations and projects.

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the Pacific Northwest. Free trade opponents counter by saying that, while deregulated global trade might bring economic gain for some industries, it does so only at great cost to the quality of life for working people, to the environment, and to democracy. Can the WTO and other trade agreements be fixed to accommodate those concerns or are they the wrong vehicle for imposing any controls or protections? The labor

and environmental organizations which Congress recently sought to include in future trade agreements would only bind member states to enforcing their pre-existing labor and environmental laws, but give them no new tools with which to do so, and provide no brake on corporations that choose to move their operations to countries which have fewer regulations.