

## U.S. Congress' Watchdog Faults Bush Trade Strategy

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A new study from Congress' watchdog agency on Tuesday faulted the Bush administration's process for picking free-trade partners and raised questions about the economic payoff of deals with those already chosen.

Since taking office in 2001, the Bush administration has pursued a strategy known as "competitive liberalization" to advance U.S. trade objectives around the world.

The strategy involves negotiating bilateral trade deals with countries like Singapore, Chile and most recently Australia to put pressure on other nations to make concessions in larger negotiating forums, such as the World Trade Organization and a proposed Americas free-trade zone.

A number of Democrats, including Sen. Max Baucus of Montana and Rep. Cal Dooley of California, have questioned whether the countries selected for the bilateral trade talks represent the best use of limited negotiating resources since many are relatively small U.S. trading partners.

The new U.S. General Accounting Office study, requested last year by Baucus and Dooley, appears to validate those concerns: "Decisions about FTA (free trade agreement) partners are made with little systematic data or planning regarding trade-offs with other trade priorities, even though FTAs are resource intensive," GAO said.

The Bush administration has recently concluded a deal with five Central American nations and hopes to reach one soon with Morocco. It is negotiating this year with the Dominican Republic, Thailand, Panama, Peru, Colombia and Bahrain and several southern African countries.

In a statement, Baucus said he generally supported the administration's strategy of competitive liberalization.

"But the process by which we select new FTAs is deeply flawed," Baucus said. "To the extent that the existing criteria and review process set priorities, I question whether they are the right ones. GAO finds that strategic and foreign policy goals dominate the FTA selection process."

The GAO estimated that proposed and completed free-trade agreements covered only about 8 percent of total U.S. trade.

"Our first priorities should be moving ahead with negotiations in the World Trade Organization and completing the Free Trade Area of the Americas," Baucus said.

"Those agreements provide by far the best opportunities for American workers and farmers."

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