

US Congress action seen if Doha breakthrough comes

By Doug Palmer

Reuters

November 28 2007

WASHINGTON - The U.S. Congress could quickly renew "fast track" authority for the White House to finish world trade talks if there is a long-awaited breakthrough in those negotiations, an analyst said on Wednesday.

Top Brazilian and Indian trade officials have recently complained the White House's lack of trade promotion authority -- also known as fast track trade legislation -- was an impediment to finishing the 6-year-old world trade talks.

That legislation, which expired in June, requires Congress to approve or reject trade agreements without making any changes. Since any trade deal is likely to contain some unpopular provisions, trade promotion authority is considered essential to prevent U.S. lawmakers from picking agreements apart.

Democrats have been slow to approve pending free-trade agreements with Peru, Panama, Colombia and South Korea since winning control of Congress last year.

But they probably would act quickly to renew fast track if an attractive Doha round trade deal were in sight, said Dan Griswold, director of the Cato Institute's Center for Trade Policy Studies, which closely tracks congressional trade votes.

"If (negotiators) were able to hammer out a comprehensive agreement that had real gains in market access for American farmers and businesses and service providers, I think you could get this Congress to extend trade promotion authority for that single objective," Griswold said in an interview.

SEEKING A ROAD MAP

Past votes show Democrats have been more willing to support multilateral trade agreements, such as the 1994 Uruguay Round world trade deal, than bilateral and regional free trade deals like the North American Free Trade Agreement, Griswold said.

Indian Commerce Minister Kamal Nath earlier this month in Geneva urged the "United States to come out with a road map as fast as possible" showing how it intended win renewal of trade promotion authority to finish the round.

In response, U.S. Trade Representative Susan Schwab said she was confident Congress would approve an extension of trade promotion authority if a deal was in sight.

"I think anyone who is talking about TPA is using that as an excuse not to engage," Schwab said.

Ed Gresser, director of trade and global markets project at the Progressive Policy Institute, agreed that the White House's lack of trade promotion authority was not a serious obstacle to countries reaching a world trade deal.

But whether Congress would actually give President George W. Bush trade promotion authority could depend on the reaction of leading Democratic candidates for president, he said.

"If (a Doha breakthrough) happens, it will suddenly burst upon Congress and also upon the presidential candidates," who both have been paying little attention to the round, Gresser said.

If the Democratic nomination race is still hotly contested, leading candidates might be reluctant to support renewing trade promotion authority out of fear of losing votes, he said.

Meanwhile, Griswold said he was skeptical Congress would even be confronted with the issue.

"A breakthrough on Doha is a long shot right now because the major players don't seem to be ready to deal seriously," Griswold said. Both the EU and the United States are clinging to their "indefensible" farm subsidies, while advanced developing countries are balking at opening their markets to more trade, he said. (Editing by Bill Trott)