At the Crossroads

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As 1992 prods along, policy makers in Washington continue to struggle with how to lead our country out of economic stagnation. Unfortunately, having been twice-bitten by a stubborn recession, an odd combination of politicians from the right and the left are rushing to retrench behind a new wave of protectionism. In this charged political season of populist rhetoric and an anxious electorate, we should all be careful of what we wish for because we might actually get it.

In the trade arena, this can have dangerous repercussions for American workers, consumers, and business alike. Our success overseas was one of the few bright spots of 1991. When the rest of the economy was fairly static, U.S. exports continued to increase. The United States sent $422 billion worth of goods overseas last year—a new record.

This success was achieved despite the many pervasive barriers to trade that exist in Europe, Asia, and South America. Imagine how much more we could export if these barriers were lifted and our products had greater and freer access to foreign markets. Imagine, too, how much we would stand to lose if, through our own policies, we forced a constriction in market access.

It is safe to say that if it were not for our success in exporting American goods, the current recession would be much more devastating. It is the opportunity that foreign markets offer that makes the GATT and NAFTA negotiations that much more important. According to the United States Trade Representative, Ambassador Carla Hills, since 1988, 70% of our economic growth has come from exports. The 2 million American jobs that accompanied this export growth should give us all reason to want more.

Clearly, moving in the direction of freer trade has tremendous advantages for American business and industry. This is a jobs

*United States Representative from the State of California.
issue. If done the right way, the GATT and NAFTA negotiations will mean more jobs for American workers, more opportunities for American businesses, and a better standard of living for all Americans. These trade agreements offer our country an important “win-win” opportunity.

However, our negotiators cannot simply roll over out of an adherence to the notion of “free” trade. The U.S. must be aggressive in promoting American interests in the trade talks.

There will be certain American industries, in agriculture for instance, that will be adversely affected by these agreements. For this reason, our negotiators must press for the inclusion of transition measures to phase out the reduction of tariffs and non-tariff barriers to avoid dislocations in import sensitive industries. They must maintain American health and safety standards for imported products. They should include environmental standards that are consistent with our own. And, the agreements should force other countries to adopt labor standards that more closely resemble those that protect American workers.

Our national security in the 21st century will be as dependent on our economic vitality as our military might. We have already demonstrated that we are the preeminent military power in the world. Now, we must concentrate on extending our economic influence throughout the globe.

We stand at an important crossroads in terms of our trading posture in the international marketplace. We can forge a better climate for American products overseas by pressing forward on GATT and NAFTA. Or, we can succumb to recessionary jitters and election year fears by embracing a more isolationist policy.

We should not be fearful of GATT or NAFTA as long as the terms of these agreements create a level playing field. We have proven time and time again that Americans can compete and win. Through GATT and NAFTA, we can create a trading environment that will better serve our economic interests now and in the future.

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