

'Good cop, bad cop' needed

Leo Hindery Jr., David Sirota

Wednesday, February 14, 2007

The "good cop, bad cop" routine doesn't just make for good TV, it is also an important negotiating strategy in business and economics. The "good cop" can finesse the adversary and offer up deals and agreements -- while citing the "bad cop" as the reason he must stay firm. Unfortunately, when it comes to America's international trade policy, we have had only the "good cop" president as the negotiator -- and not enough of a "bad cop" in Congress, making sure our presidents hold the line on labor, human rights and environmental issues. The result has been a trade policy too freely giving away access to America's markets and contributing to the loss of millions of jobs.

Now, President Bush wants to solidify this unfair trade policy for good. Last month, the president asked Congress to renew, without any standards or conditions, "fast-track" negotiating authority so the White House can use near-unilateral power to negotiate international trade pacts. Congress would be only permitted to accept them without amendment or reject them outright. In the uneven global economy, this fast-track authority has eliminated the dynamic whereby presidents can cite Congress and its obligations to citizens as the reasons they must demand strong labor, human rights and environmental standards in our foreign trade agreements. Consequently, American workers are being forced to compete against foreign workers who are without International Labor Organization standards and against companies that pollute the world's air and water.

American workers' wages are stagnating and their benefits are being slashed, as standards-free trade agreements make them face the "Hobson's choice" of either accepting these cuts or watching their jobs get shipped overseas .

More often, there is no choice. Look at what happened in Millen, Ga., in 2006. Less than a year after President Bush used fast-track authority to pass the Central American Free Trade Agreement (CAFTA) with no wage or environmental standards, Jockey International announced it was permanently closing its textile plant and eliminating 200 jobs in the town. Where were the jobs going? Central America.

Thanks to fast-track authority, Congress was unable to write those standards into CAFTA, and the company was thus given a free pass to exploit the \$2-a-day labor and lax environmental laws of our neighbors to the south.

And thanks to fast track, you can bet what happened in Millen is happening everywhere with our standards-free trade policy.

Now that the Democrats have regained control of Congress, there is an opportunity to help President Bush -- and all future presidents -- negotiate more level playing fields for American workers.

Already, some parts of the executive branch seem to appreciate the potential change. Deputy U.S. Trade Representative John Veroneau told potential trading partners last month that they will need to make "substantive adjustments" to labor and environmental provisions in pending trade accords in order to overcome scrutiny by the new Democratic Congress. Sadly, the Bush White House immediately retracted Veroneau's statement.

If Congress is serious about reforming our trade policy so that it lifts both the American and the world economies, then lawmakers must refuse President Bush's request to extend fast-track authority. At the same time, Congress must enact legislation to separate trade negotiations from trade-agreement enforcement.

Refusing to reauthorize fast-track authority and strengthening trade-agreement enforcement is not anti-trade, just as protecting jobs is not protectionism. But what is assuredly anti-American worker are foreign-trade agreements without worker and environmental protections.

In business, the two-pronged, tag-team approach often wins at the negotiating table. Our Founding Fathers, who created the presidency and Congress as co-equal branches of government, likely understood that the same principle would eventually work well on the international stage. That's why the most constructive role congressional Democrats can play right now when it comes to America's position in the global economy is to help our presidents get the best deals for our nation's workers by restoring the "good cop, bad cop" dynamic and rejecting President Bush's request for fast-track trade authority.

Leo Hindery Jr. is managing partner of InterMedia Partners, a major private equity firm in New York City, and chair of the Horizon Project, a business and

policy leaders group that develops policy recommendations for the 110th Congress. David Sirota, a bestselling author, is co-chair of the Progressive States Network, a research and advocacy organization that supports state legislators.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2007/02/14/EDGRJN773J1.DTL>

*This article appeared on page **B - 11** of the San Francisco Chronicle*