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GATT efforts intensify

White House reacts to GOP concerns

By James Gerstenzang
Los Angeles Times/Washington Post Service

WASHINGTON — The White House scrambled Wednesday to retain bipartisan support for a new world trade agreement in the face of concerns raised by newly powerful Republican leaders in the House and Senate.

The Clinton administration embarked on what one senior White House official described as "a very intense strategy" for securing approval after incoming Senate Majority Leader Bob Dole, R-Kan., expressed concern that the pact would limit United States autonomy and House Speaker-in-waiting Newt Gingrich, R-Ga., stated that its approval was far from certain.

Despite the concerns, the senior White House official and others in the administration expressed confidence that the General Agreement on Tariffs and Trade will prevail when it comes up in a special session of Congress late this month.

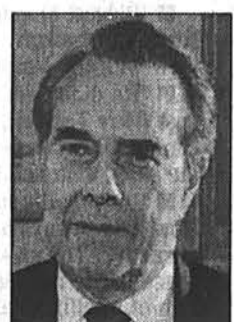
Republican opposition to the pact, occurring as conservative elements of the party move into positions of power in the new Congress, would mark a striking shift from the party's position as the champion of free trade and abandonment of a central element of the GOP approach to foreign policy and economics.

Throughout much of the post-Depression era, Republicans have been bedrock supporters of reducing trade barriers. Their support was crucial to approval of the North American Free Trade Agreement last year.

The administration's campaign for the trade plan, which the House is scheduled to vote on Nov. 29 and the Senate two days later, has been thrown into a maelstrom over the past 10 days as first Dole and then Sen. Jesse Helms, R-N.C., expressed reservations.

To pressure those who are not yet committed to the trade pact, Vice President Al Gore said Wednesday that "the Congress will decide whether the United States will continue to lead the world on global economic issues or not. ... It is a critical vote for U.S. leadership in the world, and it is a critical vote for the health of the U.S. economy."

Dole, whose support is considered crucial for lining up the needed Republican votes, is concerned that the new World Trade Organization would have the authority to overturn U.S. laws or regulations that it found were



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An agreement with the White House may allow a congressional vote later on whether the World Trade Organization is working to U.S. satisfaction.

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unfairly blocking other nations' exports to the United States. The new trade accord would create the World Trade Organization.

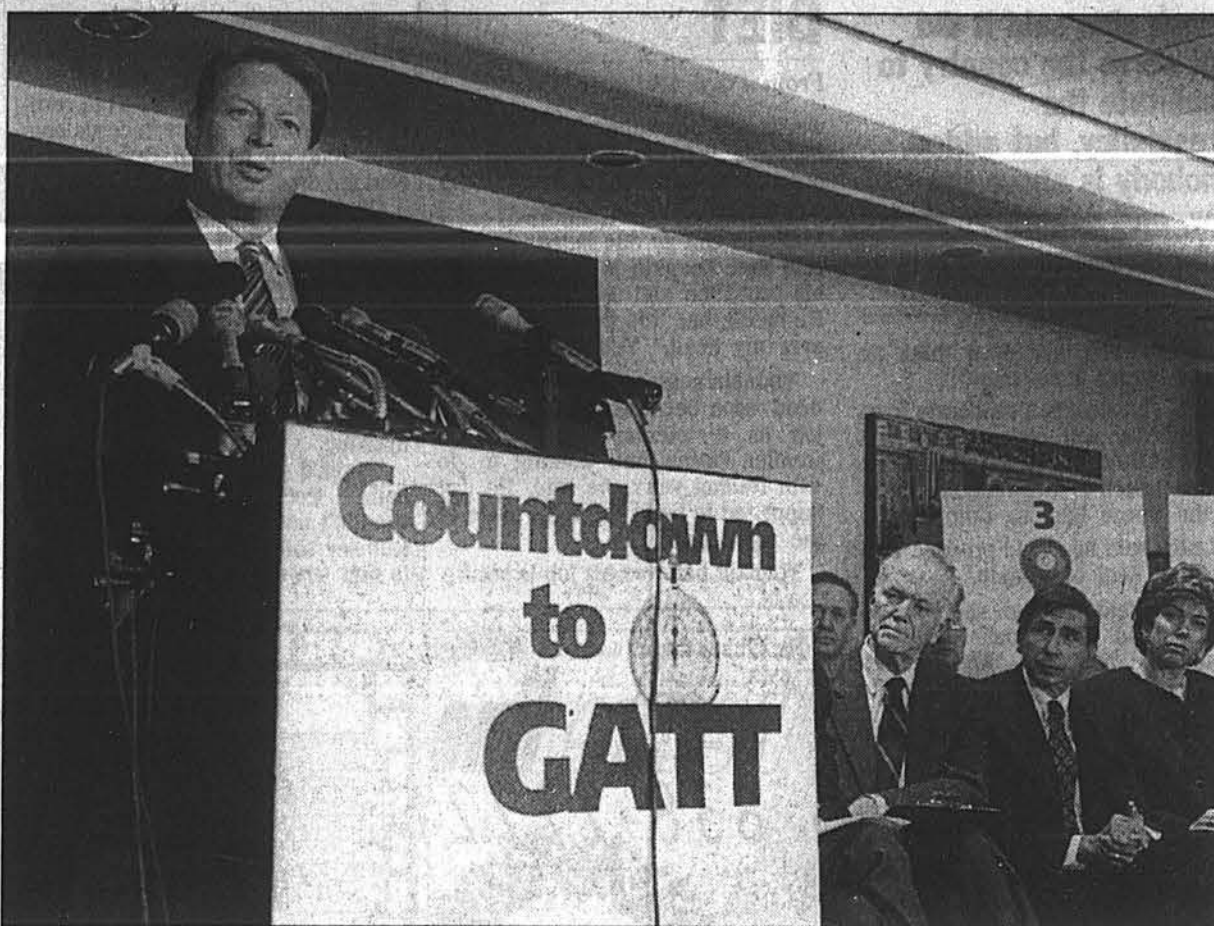
Dole said Wednesday that the vote should be delayed if those concerns cannot be addressed. "If we can't fix it, we shouldn't do it this year," he said.

Gingrich, R-Ga., urged the administration to accommodate Dole's concerns, or face the prospect that the agreement could go down to defeat.

Recognizing the looming problem, President Clinton — in Indonesia wrapping up the economic summit conference of Asian and Pacific nations — said people "want to be assured that we're not giving up the ability to run our own affairs."

Administration officials said a delay might well kill the agreement because the 120 other nations involved would lose confidence in the United States' commitment to free trade. Those nations then could make new demands that could unravel compromises worked out during seven years of international negotiations.

In Washington, U.S. Trade Representative Mickey Kantor began what was expected to be several days of negotiations with Dole. White House officials said Kantor hoped to work out an agreement under which the Congress would be able to vote, at some point in the future, on whether the World Trade Organization is



Vice President Al Gore urged Congress to vote on GATT this year. Looking on as he speaks Wednesday in Washington are, from second from left, Sen. Bob Packwood, R-Ore., Trade Representative Mickey Kantor and Laura Tyson, head of the Council of Economic Advisers.

working to the United States' satisfaction.

By including such a provision, or one establishing a commission to review the trade authority's operation, Dole could tell critics that if the pact works against U.S. interests, Congress could force the government to withdraw.

Helms has held out the possibility that in his new position as chairman of the Senate Foreign Relations Committee, he would be inclined to give the administration's foreign policy initiatives a friendlier reception if a vote on the agreement was delayed until next year — a prospect administration officials viewed as unlikely.

Because the agreement would cut tariffs — the taxes charged on imports — by roughly \$740 billion around the world, it is being described by its supporters as the biggest tax cut in history.

The average 40 percent reduction in tariffs would prompt a surge in U.S. economic activity that would pump anywhere from \$65 billion to \$200 billion into the U.S. economy by the middle of the next decade, proponents argue. But some industries would lose the protection they depend on to fight competition from

low-cost imports.

One of the most difficult obstacles facing the administration deals not with the substance of the trade plan but with the need to waive a regulation requiring that any loss in revenue be made up by cutting spending or increasing taxes. Under budget deficit reduction regulations, 60 votes are needed for the waiver.

Because the trade pact would cut tax revenue, and sufficient spending cuts or tax increases have not been designated, Helms and others have argued that it would add \$31 billion to the federal budget deficit.

Glickman in line for agriculture post

Dole lobbies on behalf of Kansan

By The Associated Press
WASHINGTON — Senate Republican Leader Bob Dole said Friday he has personally lobbied the White House on behalf of Democratic Rep. Dan Glickman for the soon-to-be vacant job of agriculture secretary.

Dole remained undecided on a new 123-nation General Agreement on Tariffs and Trade pact, saying his support hinges on whether Congress can pull the United States out of the deal if a world commission makes adverse decisions.

"I'm a strong trade person. I want to support GATT," Dole said. "If they don't satisfy some of these serious problems, I'm not going to vote for GATT."

Dole told reporters he talked to President Clinton's chief of staff, Leon Panetta, for fellow Kansan Glickman, and would be happy to



Dole Glickman

talk with Clinton.

"We think we've got an opportunity to help people of our state regardless of party," Dole said. "I strongly recommended Dan Glickman for secretary of agriculture. He knows agriculture."

Glickman, defeated for a 10th term for Kansas' 4th District by Republican Todd Tiahrt, now chairs the House Intelligence Committee and is a senior member of the Agriculture Committee.

Dole, who will become Senate majority leader when the new GOP-dominated Congress convenes in January, said Glickman has made the "short list" of candidates.

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ideas, has spoken sparingly about social issues.

"We cannot replace the social engineering by the left with a social engineering of the right," Gingrich said Tuesday night.

The House GOP agenda does include social policies certain to prove controversial. But in picking these battles, Gingrich and his allies were careful to put reform items first and then choose social issues that enjoy substantial if not overwhelming support in public opinion polls — though vehemently opposed by liberals.

Gingrich, for example, wants the House to vote by early July on a constitutional amendment allowing organized school prayer. Liberal groups oppose the amendment but President Clinton

said Tuesday he is open to the idea, suggesting there will be no unified Democratic opposition.

Another provision in the House GOP's 100-day blueprint that is opposed by some liberal groups would allow parents to exclude schoolchildren from federal surveys they find objectionable because of questions about sexual behavior.

As for abortion, Republicans expect some conservatives to push for restoration of the "gag rule" prohibiting clinics that receive federal funding from advising pregnant women about abortion.

But Gingrich's leadership team, according to aides, has made it clear in meetings that it does not favor such moves, at least in the short term.

"It's a sensitive subject in our caucus," said one leadership aide, speaking on condition of anonymity. "We won't know for

sure until everyone is back in Washington but we think people understand the need to proceed carefully here."

There likely will be a debate on a miniature version of the gag rule when welfare reform comes up. The leading House GOP measure prohibits federal welfare block-grant money from being used for abortion counseling. But moderate Republicans who support abortion rights have suggested they will try to delete that prohibition, and their effort has not been discouraged by Gingrich.

Still, Democrats believe Gingrich ultimately will find big social-policy fights irresistible, or be unable to prevent more socially conservative members from provoking them. And conservative groups that backed Republican candidates may demand actions if the result could hurt the GOP with moderate constituencies.

GOP vows caution on social reforms

By John King
Associated Press Writer

WASHINGTON — Mindful of the damage President Clinton suffered in the gays-in-the-military debate, Republican leaders are determined not to wander far from their budget and government reform agenda into fights over abortion and other divisive social issues.

Their caution reflects a desire to solidify the GOP's newfound support among white women, to avoid overreaching the mandate of their midterm gains, and to deny Democrats an early opening to re-energize their dependent base.

Much of this approach stems from the GOP's analysis of Clinton's early efforts to allow homosexuals to serve openly in the military. The effort sent Clinton's support among white men, and across the South, into a tailspin from which the president has yet to recover.

And it invigorated conservative groups, particularly the Christian Coalition and other religious conservative groups, and these organizations were significant players in the Republican midterm sweep.

Now, if Republicans rush forward with a controversial social agenda, "it could excite our forces and help us organize for the next elections," said Ann Lewis, a veteran Democratic strategist and a senior official at Planned Parenthood.

So far, Rep. Newt Gingrich, who will become House speaker in January, has kept his focus mostly on economic and reform issues. Gingrich has offered vague criticisms of liberal housing and education programs but with the exception of school prayer and welfare reform, two popular

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Dole

Dole's wish comes true, but it comes with a price

By David E. Sanger
New York Times News Service

WASHINGTON — The phone is ringing endlessly at Sen. Bob Dole's offices in Kansas and on Capitol Hill, but not just with congratulations for his new status as majority-leader-designate.

Barely nine days after he was swept to a victory even he did not predict, he is caught in the cross-currents as Republican Party leader and nascent statesman, as a potential presidential candidate and as a free-trader with second thoughts about the popularity of free trade.

It is not a happy place to be, especially when the argument is over an international agreement that everyone says will have a vast but unknowable effect on the fate of the world economy and that is so staggeringly dense — four volumes costing \$145 at the Government Printing Office — that no one knows

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anyone who has actually read it.

"I wouldn't want to be Bob Dole," said Jerry Junkins, the chief executive of Texas Instruments, who is the head of a business lobbying group, the Alliance for GATT Now, that is trying to push the wavering senator to support the agreement, which would cover 123 nations.

"Boeing is big in Kansas, and so are the farmers," he said, ticking off others with longstanding ties to Dole who stand to gain from the agreement. "But he must be thinking about other things as well," he suggested, things that include primaries in New Hampshire and Iowa that are only 18 months away.

The vote on the world trade agreement, which will be taken up by a lame-duck session of Congress after Thanksgiving, has suddenly become the crucial first test for Dole, the Senate minority leader. He is trying to convince President Clinton that unlike Rep. Newt Gingrich, who is soon to be speaker of the House, he is interested in compromise. He is trying to look like a statesman.

At the same time, Dole is feeling the heat from the right wing of his party, which would happily hand Clinton an embarrassing international defeat. And he has to decide whether to side with the growing numbers in his party who, after five decades of unquestioned support for free trade, now join many Democrats in arguing that it is a code

Faced with so much pressure from so many sides, Bob Dole has done what he usually accuses the White House of doing on foreign policy issues: He has waffled.

word for destroying middle-class jobs and surrendering U.S. sovereignty to an ominous-sounding group of anonymous foreign judges called the World Trade Organization.

Faced with so much pressure from so many sides, Dole has done what he usually accuses the White House of doing on foreign policy issues: He has waffled. He likes the General Agreement on Tariffs and Trade, he keeps saying, because it will force America's competitors to lower their tariffs, to stop government subsidies of companies that compete with U.S. industry and to extend copyright protection to including computer software, sound recordings and movies, all strong American exports.

But he has problems, he keeps saying without being too terribly specific, with many provisions in the legislation. On Thursday afternoon, as Dole traveled in Minnesota on what his office said was personal business, his staff was putting together a modest list of changes that, in the words of one negotiator in the process, "will give him a way to protect himself politically."

The White House concedes that without Dole, the trade agreement is dead. So, administration officials, in

the first taste of the next two years, went out of their way on Thursday to say that they were sure that whatever Dole wanted Dole would get.

The main issue continues to be finding a way for Congress to monitor the new World Trade Organization on a sustained basis and maintaining the threat that the United States could pull out of the agreement if the new group of international arbitrators repeatedly rules against American environmental or labor laws, or other regulations for imported goods.

But Dole's problems with the trade pact may have less to do with the agreement than the polarizing issues that lie just beneath its surface. Many in the Republican Party say last week's election was a landslide because they finally won over white high-school educated males whose incomes have stagnated in the past decade.

They are the workers most hurt by free trade rules that allow greater foreign imports. And they are the ones who are least likely to move to the new industries — in high technology and in service industries — that the administration believes will continue to be the cutting edge of America's export drive into world

markets.

But GATT is overwhelmingly supported by Dole's core constituencies, the people who are likely to finance any presidential bid. More than 250 agricultural groups have backed it, convinced that European and Japanese farmers will be hurt far more by the tariff reductions than they will. The aircraft industry, led by Boeing, has been the most vociferous in favor of the agreement, because it limits foreign governments from subsidizing their own aircraft industries.

Dole is left to conduct an elaborate dance, not wanting to be blamed for the doom of a 123-nation agreement, and not wanting to appear to turn his back on those suspicious that their incomes and jobs are being sacrificed by a set of free trade principles.

It is a particularly difficult two-step because support for the pact will place Dole and Clinton on the same side of the free trade issue — just as the president is trying to get maximum political mileage out of his arguments that Asia and Latin America will be the source of millions of new jobs for Americans.

Dole is also contending with other Republicans trying to establish their influence in the Senate. Chief among them is Sen. Phil Gramm of Texas, who just filed papers this week with the Federal Election Commission to lay the groundwork for a presidential run. Gramm has been a steady opponent of the trade pact, and will undoubtedly use the issue in the primaries