

MR. SELIGMAN: Thank you, Commissioner Becker, for -- and other members of the panel, for staying around, actually, to the bitter end; I do appreciate it. And thank you, Mr. Becker, for inviting us to testify today.

I'd actually like to start by taking off from a comment that Mr. Becker made in concluding remarks to the last panel: the importance of trade unionism and other civic organizations is not only in introducing democracy into totalitarian regimes that are in transition but also it's absolutely essential that we maintain civic organizations like labor unions and other such institutions in our own democracy to maintain the quality of our own civic life.

And I think that, to us at the Sierra Club, one of the most challenging problems that comes up with chronic trade deficits is the fact that we're grinding down so many of our working-class communities so that in fact we're destroying a lot of the civic culture that has built up this country and creates those intermediate type institutions that make our democracy so rich and so vital.

It's a concern that we share at the Sierra Club, because, of course, we're a volunteer organization that gets its own energy and vitality and often excitement from the fact that we're a

democratically run organization with a vital civic culture.

So, from the Sierra Club's standpoint, although we don't have a direct economic interest in resolving the trade deficit question, I think this question of what it does to our democracy is front and center for us.

The second point I would like to draw your attention to is the fact that in dealing and attempting to deal with trade deficits, we've created a set of international institutions -- the NAFTA and the World Trade Organization -- that we think are having a perhaps unintended effect on environmental protection, to put it charitably. The disciplines of the World Trade Organization are actually designed to constrain what governments do in the area of domestic law and regulation. The notion is to eliminate non-tariff trade barriers, but we're concerned to see that a lot of our hard won environmental and health and safety laws are being swept up in the effort to reduce and eliminate non-tariff barriers.

I'll briefly run through a few points about how we see this problem.

First, we've seen a number of direct challenges to environmental and food safety laws in the WTO. Recently, we had sea turtle protections

challenged here successfully in the World Trade Organization. The U.S. State Department changed the regulations in a way that environmentalists believe will now eviscerate the law and leave it completely ineffective in protecting a species that has been on the planet since the age of the dinosaurs. That entire species is in jeopardy of imminent extinction, and the WTO action was incredibly unhelpful in our efforts to preserve this life form.

But going beyond the more overt disputes that we've heard so much about, there's also a profound chilling effect of the mere existence of the WTO rules, especially applying them to efforts to make progress in environmental health and safety. I'll cite just one example. In the name of preventing an emerging trade barrier, the Clinton Administration has intervened with the European Union to weaken and perhaps eliminate a proposed new regulation to eliminate toxic materials in computers. We think that this is an emerging problem; waste from the electronics industry that Europeans are actually in the forefront of trying to deal with. We should be trying to level up to their standards, not bring them down to our zero standard on this important issue. And, again, the Administration invoked the WTO rules as its justification for intervening,

incidentally, doing so without bothering to consult members of the public or the environmental community.

A third area that we're concerned about and other speakers have alluded to is the fact that as we reduce trade barriers, we, of course, increase incentives for industrial flight, as industry has the opportunity to get back into the wealthier markets with goods produced in poorer markets. And, of course, we are concerned that pollution standards decline once those industries move offshore, and there's some considerable evidence to that effect.

Finally, we are concerned about what the whole concept of international trade law, the way it's evolved for the Uruguay Round, does to democratic governments. The notion now that the World Trade Organization is empowered to second guess and to penalize each and every act of our constitutional government that happens to infringe the code of trade law now established in the Uruguay Round is deeply troubling, I think, to an institution such as mine that prides itself on its ability to make its voice heard through democratic procedures and now sees that right eroded by the power of trade institutions to second guess what our legislators and regulators do.

That concludes my comments.

COMMISSIONER BECKER: Thank you very much.

