

Business

Markets: 3-7E

Section

Thursday, July 23, 1998

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Daily digest

■ Currency scams the latest fraud scheme

The hottest new telemarketing fraud plays on people's vague awareness of Asian economic turmoil and hunger for hefty returns to get them to invest in super-risky foreign currency schemes, state securities regulators say. See Story/2E

■ House upholds Chinese trade relations

Though complaining vigorously about China's human rights and weapons policies, the House voted 264-166 on Wednesday against a resolution to revoke President Clinton's policy of maintaining normal trade relations with the Beijing government. See Story/2E

■ House delays action on IMF funds

Treasury Secretary Robert Rubin expressed confidence Wednesday that Congress will approve \$18 billion for the International Monetary Fund despite a decision by House Republican leaders to delay action until September. See Story/2E

■ Mexican stocks rise on strong earnings

Mexican stocks rose as strong earnings from companies such as beermaker Grupo Modelo SA offset a wider-than-expected trade gap that raised concerns the peso could weaken. The bolsa index rose 12.01 points, or 0.26 percent, to 4564.75. See Story/3E

Market highlights

Wednesday's closings

■ Leading indicators

Dow Jones 9,128.91 -61.28	Nasdaq 1,969.75 -9.39
S&P 500 1,164.08 -0.99	NYSE 588.81 -1.86
AMEX 733.03 -0.93	30-year bond yield 5.68% +0.02



Dollar watch

■ One U.S. dollar equals

 Mexican peso 8.875	 Japanese yen 141.24
 Canadian dollar 1.4955	 German mark 1.7895



Oil and gas

■ Monthly delivery

 Natural gas Aug.: \$1.934 -1.7¢	 Crude oil Sept.: \$14.16 +12¢
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Metals

■ N.Y. Comex

 Silver \$5.638 +12¢	 Gold \$294.20 -80¢
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FOCUS



Clinical coordinator Tom Summitt (second from right) looks over a procedure in the catheter lab with international medical interns (from left) Joseph Pizano, Ivan Garza, Carlos Bonilla and Carlo M. Taboada. They are studying at Methodist Health Systems.

Health care takes southward tilt

Providers here now are seeking ways to export services to Mexico

By BONNIE PFISTER
EXPRESS-NEWS BUSINESS WRITER

San Antonio's health care providers have for years courted Mexicans seeking medical treatment in the United States. Now they are seeking opportunities inside Mexico itself.

Key San Antonio medical players say they are trying to forge relationships with Mexican hospitals and insurance companies.

The old "send your patients to us" line is falling flat south of the border, said Frances Schultschik, director of international services at Methodist Healthcare System.

"That put those physicians and hos-

pitals with their backs against the wall," Schultschik said. "They say, 'Excuse me, we have physicians right here.'"

Instead, providers such as Methodist and Baptist Health System are turning their energies to sharing technical and administrative know-how with Mexican providers.

Mexico's 50-year-old public health care system is straining to care for the country's 90 million people, Schultschik said.

In Mexico, virtually all employers and their workers pay into a federal Social Security Institute which runs clinics and hospitals for private and public sector workers.

But many businesses, particularly banks and large conglomerates, also hire and pay into private insurance companies. The firms assume, perhaps correctly, perhaps not, that they can get faster, better service from a private provider, said Claudio Jones, a research associate at Center of Investigation for Development in Mexico City.

While federal legislation has been proposed to allow such companies to opt out of the social security system, there is political resistance to moving that along, Jones said.

"Clearly, privatization is not a very

■ See HEALTH/2E

Fed boss still wary of market

Greenspan, citing history, says stocks headed for fall

By DAVE SKIDMORE
ASSOCIATED PRESS

WASHINGTON — In his second appearance before Congress in as many days, Federal Reserve Chairman Alan Greenspan warned anew that the stock market is headed for a fall.

The difficulty, he acknowledged, is predicting when. The other unknown is whether middle-class Americans, who now own trillions of dollars of stock through IRA and 401(k) accounts and mutual funds, will run scared or use the downturn as a buying opportunity.

"Ultimately, yes, I think that history tells us there will be a correction of some significant dimension. What it doesn't help you on very much is when," Greenspan told a House Banking subcommittee Wednesday. "Indeed, history is strewn with periodic contractions of significant dimensions."

■ See GREENSPAN/3E

Guidelines set for 'cramming'

By JEANNINE AVERSA
ASSOCIATED PRESS

WASHINGTON — A telephone customer whose bill has been "crammed" with unauthorized, misleading or deceptive charges would be able to get the local phone company to remove them under voluntary industry guidelines released Wednesday.

At the urging of Federal Communications Commission Chairman Bill Kennard, the local phone industry devised the guidelines for combating the growing problem of unauthorized charges that mysteriously pop up on phone bills.

It will be individual companies' decision which if

■ See PHONE/2E

President cooks up quick retreat on fast-track trade bill

By TERENCE HUNT
ASSOCIATED PRESS

Analysis

WASHINGTON — In an awkward turnabout, President Clinton is distancing himself from the big trade bill he fought for last year. The reason: He doesn't want to divide his party in an election year that Democrats dream may return them to power in the House.

But while Democrats want to avoid reopening their messy dispute, Republicans

are happily shoving the issue back to center stage. The GOP-led Senate Finance Committee voted to give the president the fast-track authority he sought last year to negotiate international trade deals that Congress must approve or reject without amendments.

Of course, the president still wants fast

track. He just doesn't want it now — not when it would expose an election-year spat among Democrats and the labor unions that are their biggest financial supporters.

"I think this has a lot more to do with politics than it does with trade policy," said Greg Mastel, vice president and director of studies at the Economic Strategy Institute in Washington. "This seems to me to be an effort to divide and embarrass Democrats before the election."

"It's fun and games," agreed Lawrence Chimerine, managing director and chief economist at the institute.

With a switch of just 11 seats, Democrats would reclaim control of the House they last held in 1994, before Newt Gingrich and his allies stormed to power. Clinton, eager to put his party back in the driver's seat, has demonstrated his willingness to help by at-

■ See CLINTON/3E

Arbitrator takes over strike talks

By BRIAN S. AKRE
ASSOCIATED PRESS

DETROIT — The number of workers idled by the strikes against General Motors Corp. surpassed 200,000 Wednesday, as GM and United Auto Workers attorneys met with an arbitrator to argue whether the walkouts were legal.

The automaker said that in addition to the 9,200 strikers, about 192,300 employees at 27 assembly plants and more than 100 parts plants across North America have been affected by the strikes at two parts plants in Flint, Mich.

The total swelled as the automaker idled its Pontiac East truck plant near Detroit, sending 3,400 workers home. The plant had only recently begun pilot production of GM's new generation of full-size pickups.

The company on Tuesday halted production at its pickup plant in Oshawa, Ontario, one of only three assembly plants that until this week had remained in production despite the strikes. About 3,000 workers were laid off there.

The latest shutdowns were a major blow to GM's determined efforts to keep the launch of the '99

■ See ARBITRATOR/3E

HEARST-ARGYLE OPENS ON NYSE



Hearst-Argyle Television Inc. begins trading as HTV on the New York Stock Exchange on Wednesday. Hearst-Argyle's chairman and co-chief executive officer, Bob Marbut (left), rang the opening bell for the NYSE. Joining him are Ed Kwalwasser, group executive vice president of the NYSE, center, and John G. Conomikes, president and co-CEO of Hearst-Argyle.

Acquisitions improve S.A. firm's quarterly results

By SANFORD NOWLIN
EXPRESS-NEWS BUSINESS WRITER

Broadcaster Clear Channel Communications Inc., boosted by recent acquisitions and improvements to its operations, reported an 85 percent jump in second-quarter income and record after-tax

cash flow.

The San Antonio-based company reported net income of \$27.9 million, or 22 cents per share, on revenues of \$361 million for the quarter ended June 30.

That compares to net income of \$15.1 million, or 18 cents per share, on revenues of \$212.2 million.

New Roth IRA already undergoes fine-tuning

Hidden inside the Internal Revenue Service overhaul bill signed and enacted by President Clinton on Wednesday are measures affecting the new Roth individual retirement accounts.

Hey, something had to pay for the revenues IRS agents won't bring in, since they can't be as aggressive as before. Under the neutral-revenue rule of Congress, lawmakers had to find something to replace that lost revenue.

And they found the money in adjusting and clarifying rules created when the new Roth IRA was created last year.

The Roth IRA is a kind of reverse IRA. In a regular IRA, taxpayers reduce their income taxes by subtracting the IRA contributions but pay taxes when making withdrawals at retirement age. In a Roth IRA, the income tax deduction is not taken when contributions are made, but



David Hendricks

withdrawals are tax-free at retirement, including the built-up earnings.

1998 is the only year in which existing IRAs may be converted to Roth IRAs, with the benefit of having the tax burden spread over four years.

The theory, said San Antonio accountant Steven Bankler, is that the income taxes paid now will be much lower than 20 years or so down the road when the accumulated earnings will have

■ See NEW ROTH/3E

It also reported a 111 percent increase for the quarter in after-tax cash flow, which is considered the most important measure of broadcast companies' success.

Its \$111.1 million after-tax cash flow was the highest in company history.

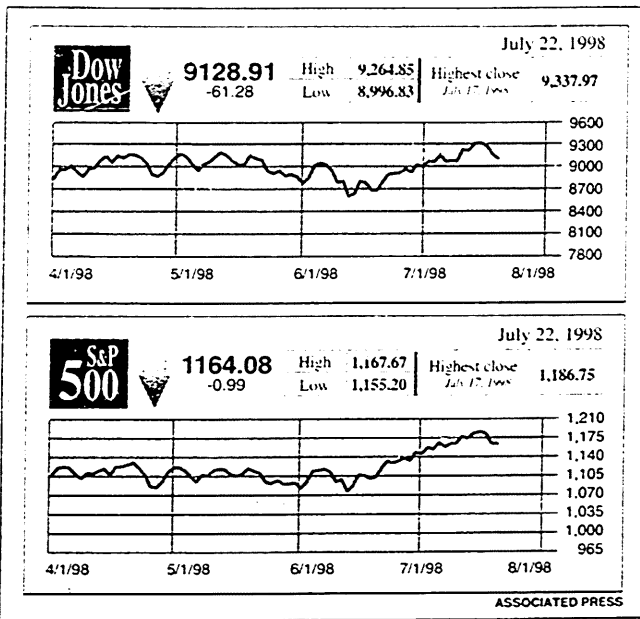
Clear Channel officials in a pre-

pared statement attributed the company's earnings hike to better performance by its existing stations and its purchase both of Universal Outdoor Holdings Inc. and other radio stations.

It bought billboard company

■ See BROADCASTER/2E

MARKET HIGHLIGHTS



STOCK INDEXES			NYSE			NASDAQ			AMEX			WORLD MARKETS			
DOW JONES			MARKET DIARY			MARKET DIARY			MARKET DIARY			MARKET DIARY			
Close	Chg.	Vol	Volume	Chg.	Vol	Volume	Chg.	Vol	Volume	Chg.	Vol	Close	Chg.	Vol	
30 Indus	9128.91	-61.28	739,880,000	1056	1912	628,752,600	1551	1912	28,226,000	213	1912	AMERAS	4564.75	4512.74	
20 Transp	3445.53	+10.17	1066	1912	1912	2566	1411	1912	213	1912	1912	Mexico (pc)	7349.89	7425.41	
15 Util	289.20	+96	565	1912	1912	1411	1912	1912	1912	1912	1912	Toronto (I)	1297.88	1312.55	
65 Stocks	2896.02	-7.37	3533	1912	1912	5568	1912	1912	1912	1912	1912	EUROPE	3614.82	3612.07	
STANDARD & POOR'S			MOST-ACTIVE STOCKS			MOST-ACTIVE STOCKS			MOST-ACTIVE STOCKS			MOST-ACTIVE STOCKS			
S&P 100	567.76	-1.10	Stock	Vol (00)	Chg	Stock	Vol (00)	Chg	Stock	Vol (00)	Chg	Stock	Vol (00)	Chg	
S&P 500	1164.08	-0.99	CompAs	293,442	39.7	MicroS	273,305	109.7	SPDR	104,173	116.1	AMERAS	4564.75	4512.74	
S&P MidCap	364.94	-3.51	Lucent	199,984	100.0	MSFT	179,076	116.4	Nasdaq	20,469	18.4	Mexico (pc)	7349.89	7425.41	
S&P SmallCap	1358.58	-1.34	CompAg	134,677	32.4	CSCO	164,759	98.1	TTVA	11,552	9.4	Toronto (I)	1297.88	1312.55	
S&P 400	241.70	+3.38	GenCorp	91,511	91.4	Intel	164,550	82.4	WV	5,547	12.4	EUROPE	3614.82	3612.07	
S&P 600	141.90	-2.7	GenElec	91,511	91.4	Peoplt	155,751	42.4	GM Indus	8,554	15.4	AMERAS	4564.75	4512.74	
S&P Financ	188.24	-2.76	MeduGrw	90,866	45.4	Qualcom	113,417	67.4	ViacB	7,750	67.4	Mexico (pc)	7349.89	7425.41	
S&P SmaCap	188.24	-2.76	PhuMor	90,866	45.4	Shupars	110,267	32	GrvHnd	4,316	6	Toronto (I)	1297.88	1312.55	
NEW YORK STOCK EXCHANGE			PERCENTAGE GAINERS			PERCENTAGE GAINERS			PERCENTAGE GAINERS			PERCENTAGE GAINERS			
Comp	588.81	-1.86	Stock	Last	Chg.	% Chg	Stock	Last	Chg.	% Chg	Stock	Last	Chg.	% Chg	
Indus	720.15	-3.33	MCC	23.1	+2.4	+13.25	EastnBt	4.4	+0.77	+17.78	ThmRte	4.4	+0.77	+17.78	
Transp	502.96	-1.48	Kummi	5.1	+1.1	+21.57	Occarb	2.7	+0.1	+3.7	EssaSc	3.1	+0.1	+3.2	
Util	397.77	+2.67	BenJt	9.1	+1.1	+13.81	FrearBt	5.1	+1.1	+21.57	VacwE	6.1	+1.1	+17.02	
Finance	579.54	-2.04	WCoR	16.1	+1.1	+7.45	CyberG	10.1	+2.1	+20.76	LaSag	2.1	+0.1	+4.76	
NASDAQ NATIONAL MARKET			PERCENTAGE LOSERS			PERCENTAGE LOSERS			PERCENTAGE LOSERS			PERCENTAGE LOSERS			
Composite	1969.75	-9.39	Stock	Last	Chg.	% Chg	Stock	Last	Chg.	% Chg	Stock	Last	Chg.	% Chg	
Indus	1342.90	-8.32	20%	-11.2	-5.25	AbnDh	14.1	-1.4	-9.93	Thmst	10	-1.4	-13.33		
Financ	2626.90	-21.66	39%	-17.2	-43.70	InnoVn	3.1	-2.1	-66.67	Heimst	2.1	-0.1	-4.76		
Transp	1126.46	-9.24	40%	-10.1	-25.00	AdvDn	10.1	-1.1	-10.00	GK Inten	15.1	-2.1	-13.89		
Telecom	447.75	-8.99	Lowen	2.1	-1.1	-50.00	Harpis	1.1	-0.1	-9.09	Menst	6	-1.1	-15.38	
AMERICAN STOCK EXCHANGE			OTHER INDEXES			OTHER INDEXES			OTHER INDEXES			OTHER INDEXES			
AMEX Index	733.03	-9.3	Value Line Artn	942.41	-6.33	Russel 2000	450.93	-5.21	Value Line Geomtr	471.55	-4.35	Wishw 5000	10883.25	-46.54	
FOREIGN EXCHANGE			MEXICO STOCKS			MEXICO STOCKS			MEXICO STOCKS			MEXICO STOCKS			
Foreign currency	Dollar in	Foreign currency	Dollar in	Alfa A	35.30	35.40	Apasco A	50.50	49.60	Bimbo A	19.78	19.80	Cemex B	43.30	42.80
Wednesday	Tuesday	Wednesday	Tuesday	Cifra C	13.40	13.50	Cifra V	14.42	14.30	GCarso A1	41.80	40.80	Kimber A	29.50	30.80
Argentina	1.0002	0.9998	Italy	0.00567	0.00567	Maseca B2	7.00	6.94	Tamsa	104.00	105.00	Televisa L	186.00	187.00	
Australia	0.717	0.717	Japan	0.00780	0.00780	Telmex L	23.35	23.50	Toimex B2	42.00	40.50				
Austria	0.795	0.795	South Africa	0.0111	0.0111										
Belgium	0.271	0.271	Switzerland	0.00713	0.00713										
Brazil	0.616	0.616	UK	0.00713	0.00713										
Canada	0.717	0.717	US Dollar	1.00000	1.00000										
Denmark	1.543	1.543	Value Line Artn	942.41	-6.33										
France	0.667	0.667	Value Line Geomtr	471.55	-4.35										
Germany	1.636	1.636	Wishw 5000	10883.25	-46.54										
Greece	1.636	1.636													
Hong Kong	0.02154	0.02154													
India	1.208	1.208													
Indonesia	0.00074	0.00074													
Iran	0.00333	0.00333													
Israel	1.082	1.082													

Arbitrator enters GM-UAW strike talks

Continued from 1E

pickups on schedule for fall. The big pickup is GM's best-selling vehicle and among the most profitable. Any delay could cost the automaker millions of dollars in lost share of the coveted truck segment.

The focus of the strikes shifted Wednesday from the stalled negotiations in Flint to a closed meeting in a Detroit hotel.

About 100 lawyers, officials and witnesses gathered to hear opening arguments, GM spokeswoman Charlotte Grim said.

The hearing lasted about seven hours, with breaks. Opening argu-

ments were completed and the arbitrator is to begin hearing testimony today, according to union sources who spoke on condition of anonymity.

Arbitrator Thomas Roberts, GM and UAW officials declined to comment. GM and hotel security officers restricted reporters and cameras to the sidewalk outside.

Under the GM-UAW national contract, Roberts, a 74-year-old attorney from Rolling Hills, Calif., is the designated umpire in disputes between the No. 1 automaker and its biggest union. He has served in that role for 11 years.

GM contends the walkouts involve disputes of a national scope

over which the union may not strike.

The UAW says the strikes are legal under the contract because they are primarily over local issues, such as alleged plant health and safety violations and production rules.

Roberts' ruling could turn the direction of the strikes.

If he grants the company's grievance, GM likely will seek an order sending the 9,200 strikers back to work at two Flint parts plants.

It also may seek damages from the union for the more than \$1.2 billion the strikes have cost it in lost production. GM was able to persuade a federal judge to oversee

the case and pledge his power to enforce the arbitrator's ruling.

Arbitrators usually issue a ruling in about 30 days after a hearing.

But because of the pressure to move this case along quickly, Roberts may issue a brief ruling soon after the hearing ends, followed by a longer decision with his legal reasoning later, said Theodore St. Antoine, a law professor and arbitration expert at the University of Michigan.

Such hearings typically are held like a court trial, except that the rules of evidence are less strict. In this case, GM has the burden of proof and presented its case first.

Modelo leads gain on bolsa

MEXICO CITY — Mexican stocks rose Wednesday as strong earnings from companies such as beer maker Grupo Modelo SA offset a wider-than-expected trade gap that raised concerns the peso could weaken.

The bolsa index rose 12.01 points, or 0.26 percent, to 4564.75. Modelo jumped 2.60 percent to 79 pesos after reporting its profits from operations rose 26 percent in the first half from a year earlier, as hot weather in Mexico boosted sales.

"The drought has been a big driver for both soft drinks and beer but only because consumers have cash in their pockets," said Kristi King Etchberger, an analyst who follows the company for ABN Amro Bank SA.

Mexico's trade deficit widened to \$330 million in June from \$313 million in the previous month as exports of oil and auto parts fell and food imports rose. A survey by Bloomberg News forecast the trade gap would widen to \$470 million.

"Suddenly stocks moved and peo-

MEXICO STOCKS		
	Curr.	Prev.
Alfa A	35.30	35.40
Apasco A	50.50	49.60
Bimbo A	19.78	19.80
Cemex B	43.30	42.80
Cifra C	13.40	13.50
Cifra V	14.42	14.30
GCarso A1	41.80	40.80
Kimber A	29.50	30.80
Maseca B2	7.00	6.94
Tamsa	104.00	105.00
Televisa L	186.00	187.00
Telmex L	23.35	23.50
Toimex B2	42.00	40.50

ple's expectations did as well," said Sergio Garcia, chief equity analyst at Value Casa de Bolsa SA brokerage.

The rise in stocks was curbed as the peso weakened on concern about the trade deficit.

The peso weakened to 8.86 to the dollar, compared with Tuesday's close of 8.84.

Industrials such as Grupo Carso SA and Desc SA rose as investors bet they would report strong second-quarter earnings. Desc rose 5.10 percent to 50.5 pesos, and Carso jumped 2.45 percent to 41.8 pesos.

Greenspan still wary of stock market power

Continued from 1E

His comments were the latest in a series of cautions, stretching back to his December 1996 musings about "irrational exuberance." The market retreated after that comment but soon rebounded.

The Dow Jones industrial average, in fact, increased 45 percent between then and last Friday when it closed at a record 9,338. Nervousness over weak corporate earnings has driven the market down this week, and the average slipped an additional 61 points to close at 9,129 Wednesday.

On the whole, investors appear to be assuming that "low inflation and stronger productivity growth will allow the extraordinary growth of profits to be extended into the distant future," Greenspan said in testimony accompanying the Fed's midyear report to Congress.

These rising expectations of earnings growth have "driven stock prices sharply higher; to levels that will be difficult to sustain" unless the cycle of low inflation and increased productivity contin-

ues, he said.

The stock run-up has added \$12.5 trillion to U.S. households' net worth since the end of 1994.

Rep. Joseph Kennedy III, D-Mass., questioned whether a significant drop in stock prices would stampede investors who haven't experienced a declining market into pulling out entirely, thus exacerbating the decline.

Greenspan said he doubted that would happen.

"Most of the evidence of recent years is that people who have built up 461(k)s have been the ones who have been buying on the declines and, indeed, have turned out to be prescient and wealthier," he said.

Ultimately, though, any attempt to forecast investor behavior after a correction "is probably futile," he said.

The real danger, he said, is to investors who have allowed their growing portfolios to encourage them to take on excessive debt, which "all of a sudden becomes un-serviceable" if stock prices fall significantly.

New Roth IRA already undergoes fine-tuning

Continued from 1E

grown many times more than the present amount.

In other words, you can pay income taxes on, say, \$80,000 now. Or pay income taxes on what it may become in 20 years, perhaps \$500,000.

It wouldn't matter at what rate Congress sets income taxes when current workers retire in two, three or four decades. The Roth IRA distributions would still be tax-free.

Here are the Roth IRA items Bankler said Congress clarified in the IRS act signed into law Wednesday:

- Under the earlier rule, conversions to a Roth IRA were limited to taxpayers with less than \$100,000 annual income. But if someone makes \$75,000 but adds \$30,000 worth of IRA holdings in the first year of a four-year tax plan, that would push them over the \$100,000 limit.
- The new rule would disqualify the IRA amount toward the \$100,000 income limit, Bankler said. That opens up the conversion possibility to higher-income taxpayers and will bring more income tax revenue to the IRS over the next four years.
- "The Republicans say this is a revenue-raising measure, while the Democrats say that in the long run it is a tax benefit to the wealthy," commented Bankler, a former investigative accountant for the U.S. Senate Whitewater

Committee.

- An option was added in the IRS act to allow people converting to the Roth IRA to pay all the taxes in tax year 1998 instead of spreading them out over four years.
- That may be useful to people having an especially low income year this year, said Bankler, who is often quoted in the Wall Street Journal, Washington Post and Money magazine.
- The IRS act also closes a loophole that would have allowed people to convert to a Roth IRA, spread out the taxes over four years then immediately withdraw the Roth IRA holdings without penalty.
- The penalty for early withdrawal was 10 percent of earnings, but there would be no penalty if there were no earnings yet.
- "The loophole made all the newspapers," Bankler laughed. So Congress closed it by adding a requirement that money in a Roth IRA must be held for five years before withdrawals.
- The Roth IRA is an intriguing deal. Anyone with an IRA should take the time to do the math to see if it can help them. In some cases, it could make a big difference in your quality of life in retirement years.

To leave a message for David Hendricks, call ExpressLine at 554-0500 and punch #115.

Harte-Hanks net income grows 67%

Continued from 1E

Acquisitions, new clients and more business from existing customers at Harte-Hanks Inc. contributed to a 67 percent rise in net income for the second quarter ended June 30, the company said Wednesday.

Net income at the San Antonio-based direct-marketing company climbed to \$17 million, or 22 cents a share, compared with net income of \$10.2 million, or 13 cents a share, for the same period in 1997.

The company's operating revenue rose to \$186.8 million, a 24 percent increase over operating revenue of \$150.9 million for the second quarter of 1997. The operating results exclude Harte-Hanks' newspaper and television operations, which were sold in October.

Larry Franklin, president and chief executive, said, "Our 1998 results to date make us excited about the growth prospects for the rest of 1998 and beyond in the fast-growing targeted media business."

New acquisitions made during the fourth quarter, which contributed to the company's growth in the current period, included Mercantile Software of New Jersey and a Belgian company called Tele Support Services, chief financial officer Jacques Kerrest said.

Clinton beats retreat on fast-track bill

Continued from 1E

tending 50 Democratic fund-raising this year.

Fast-track trade authority is just one election-year battleground. House Republicans are clamoring for big tax cuts, putting the president in the difficult position of opposing a politically popular move. The GOP also ignored Clinton's objections and passed tax breaks for parents who send their kids to private schools. The president waited until late Tuesday — after the evening news broadcasts — to announce his veto.

Labor and environmental groups fear that fast-track trade deals will prompt American companies to move their plants to developing countries in search of low-paid workers, lax labor standards and weaker environmental rules.

About 80 percent of House Democrats joined Minority Leader Dick Gephardt, D-Mo., and several dozen Republicans last November in opposing the bill. But Clinton and business groups argue that fast track will remove foreign barriers to trade, boosting U.S. exports and creating American jobs.

Lacking enough votes last year, Clinton reluctantly agreed to shelve fast track but declared, "This is not dead." He put in a plug for fast-track authority in last January's State of the Union address.

But since then, he has barely mentioned the subject.

"I think what happened was basically they didn't figure out a way to change votes, at least on terms acceptable to the president," said I.M. Destler, a trade specialist at

the Institute for International Economics in Washington. Republicans wanted concessions on abortion and family planning language while Democrats demanded tougher labor and environmental provisions.

The White House complained that the Senate Finance Committee's action smacked more of political mischief than dedication to free trade.

"Republicans clearly understand that when you push an issue in which your party is relatively united and the opposing party is divided, this exposes differences within the other party, and this is, at the margin, good politics," Destler said. "How much you really gain in terms of electoral politics is in doubt."

Republicans say White House chief of staff Erskine Bowles told business leaders last week that it wasn't that important to do fast

track this year. That didn't sit well with Republicans, who heard about it from their business friends.

Eager to move ahead, Republicans are willing to put off the vote until after the primary season ends Sept. 15, reasoning that Democrats would be freer then to vote for fast track without worrying about retaliation from labor.

In addition, House Agriculture Committee Chairman Bob Smith, R-Ore., said he believes some farm state lawmakers would switch to support fast track because of "declining domestic prices, problems they now see with 30 percent of our trade" in Asia.

But election seasons are tough times to debate trade policy. "Certainly the odds are much better after the election than before it," said Mastel of the Economic Strategy Institute.

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