

# House Approves Peru Trade Agreement

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WASHINGTON -- The House on Thursday approved a free-trade agreement with Peru that would eliminate duties immediately on some 80% of U.S. industrial exports and two-thirds of farm exports.

The vote was 285-132. The accord also could increase American exports by \$1 billion a year. A Senate vote, which could come in the next several weeks, would allow the accord to go into effect.

Trade deals have always been a hard sell among House members, mainly Democrats who have equated them with job losses and soaring trade deficits.

"I'm from Michigan. I've seen firsthand the dislocation from globalization," said Democrat Rep. Sander Levin, chairman of the Ways and Means trade subcommittee. "That's why we've been fighting for a new trade policy."

"This is not remotely NAFTA," Rep. Earl Blumenauer (D., Ore.) said of the 1994 North America Free Trade Agreement with Mexico and Canada that has strong detractors. "We've all learned from that experience."

Supporters said it could also boost U.S. standing in Latin America as a counter to the anti-American policies of Venezuelan President Hugo Chavez. "This is a battle for hearts and minds; it is a struggle to ensure that liberty and the rule of law prevail over tyranny," said Rep. David Dreier (R., Calif.).

Democrats generally have resisted free-trade deals they blame for job losses and trade deficits, and their rise to power in January was seemingly a blow to the Bush administration's aggressive free-trade agenda. But the situation changed in May when the administration agreed to Democratic demands that labor rights and the environment be core elements of any future agreements.