

DEMOCRATS ON FREE TRADE

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Party unites against pact

Targets voters' job concerns

By Jessica E. Vascellaro, Globe Correspondent | July 6, 2004

WASHINGTON -- Democrats are capitalizing on voter concerns over American jobs going overseas by mounting an unusually unified campaign against the Bush administration's new free trade agreement with Central America.

Trade traditionally is not an issue that makes or breaks elections. But Democratic lawmakers -- historically split between free traders and protectionists -- are betting that the pact will provide an effective election-year anvil against their GOP foes.

Republicans, meanwhile, assert that the Democrats are reverting to protectionism 11 years after President Clinton embraced free trade by signing NAFTA, the North American Free Trade Agreement.

"There are strong isolationist elements at work here," said Richard Mills, spokesman for US Trade Representative Robert Zoellick.

The US Central American Free Trade Agreement, or CAFTA, between the United States, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, is likely to go before Congress next fall but is already becoming a campaign issue.

The agreement, which Zoellick signed on May 28, eliminates tariffs on 80 percent of US consumer and industrial exports between the United States and the Central American countries immediately and phases out the rest over 10 years.

Even ardent free-trade Democrats such as presidential candidate John F. Kerry side with their party's protectionists to oppose the pact, saying they shifted their stance because Bush is indifferent about labor rights and environmental protections.

"Socially responsible trade policy is something [Kerry] can beat Bush on," said Representative Barney Frank, Democrat of Newton.

Democratic lawmakers now say they are determined to deny the Bush White House the votes it needs to pass the trade agreement. A majority of the vote in both the House and the Senate is all that is needed to pass the agreement, which is expected to go before Congress for ratification after the November election.

"The political environment has made it more difficult to put together a bipartisan majority for CAFTA and a number of free trade agreements," said Representative Calvin Dooley, Democrat of California, one of the minority of Democrats who support the agreement.

Republican pollster Ed Goetas, president of the Tarrance Group, said Democratic opposition to CAFTA is contagious.

"There is a certain amount of latching on to what is out there," he said. The opposition "is more a vehicle to the broader debate rather than about the specifics of this particular issue."

CAFTA supporters say the agreement merely opens up more overseas markets in both regions, benefiting American producers as well as their Central American counterparts.

Mills said 75 percent of Central American goods already enter the US duty free. "We want them to open their trade to our products," he said. "We believe that this will benefit not only Americans, but people in these countries as well."

But many Democratic lawmakers, attacking CAFTA and GOP tax policy in the same breath, depict the agreement as part of a Bush agenda to send American jobs overseas.

CAFTA "is part of the exodus of good American jobs," said Senator Byron L. Dorgan, chairman of the Democratic Policy Committee, said at a recent congressional hearing.

Dorgan said the agreement would lead to "a relentless increase in our trade deficit" by encouraging consumers to import less expensive goods and failing to raise foreigners' income so they could afford US exports.

"We will be consigned forever to higher and higher trade deficits and an eroding manufacturing sector," he said.

Last year, the Bush administration secured free trade agreements with Singapore and Chile with split Democratic support. In the Senate, Democrats voted against the Singapore pact by a one-vote margin, 23-22, and opposed free trade with Chile, 21-24.

Kerry, who in the 1990s was a key supporter of NAFTA and argued in favor of opening markets to China, was one of two senators to miss the vote on Singapore and three to miss the vote on Chile.

Kerry calls CAFTA "a disappointing and unnecessary step backwards in our nation's efforts to ensure that opening markets results in higher living standards on all sides and not a race to the bottom on worker rights and environmental protection."

Several other free-trade Democrats also say they will vote against the agreement because it lacks crucial labor and environmental standards, such as collective bargaining rights and laws against child and forced labor.

Mills, of the US trade representative's office, responded that CAFTA has enforceable and "innovative" labor laws, such as a provision that money from labor fines goes toward addressing the problem in the foreign economy and not into the pockets of the US government.

"What CAFTA does is that it requires each country to enforce their own labor laws," he said. "The International Labor Organization has indicated that the Central American countries have good labor laws and that the issue is enforcement and resources. If they don't enforce their labor laws, we can challenge them."

Representative Sander Levin of Michigan, the ranking Democrat on the House Ways and Means's subcommittee on trade, said catering to a country's own standards isn't adequate.

"We want standards built into agreements," he said. "They call it free trade, but it isn't necessarily free because others can rig the system. It is a blind faith in expanded trade irregardless of the terms."

Edward Gresser, trade policy director at the Progressive Policy Institute, a Washington think tank allied with centrist Democrats, said that the popularity of free trade rises and falls with the strength of the economy and that current economic weaknesses have given protectionism more clout. "Over the past year or so, with the pressure of the outsourcing debate and the trade imbalance, it is probably harder to get support for a trade agreement," he said.

So far, analysts say, trade isn't igniting voter passions in the presidential race. But free trade debates could affect congressional races in states such as South Carolina, where the rivals to replace the seat of longtime protectionist Senator Ernest Hollings, a Democrat, have disagreed publicly on CAFTA.

As president, Kerry "can put together a coalition of mostly Democrats and some Republicans who will push through trade with a social component," Frank said. "CAFTA can't be saved by Bush."

Frank said a new president can "get most of [the protectionists] back by doing free trade responsibly."

Jessica E. Vascellaro can be reached at jvascellaro@globe.com.