

Bush Likely to Pay High Price for CAFTA Accord

By Edward Alden
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In 2001, when the Bush administration was trying to win congressional authority to negotiate new trade agreements, two of the leading figures in the debate in Congress had a brief encounter that may come back to haunt the White House.

Bill Thomas, the powerful Republican head of the House ways and means committee, was approached by Sander Levin, then the top Democrat in the committee on trade issues and a supporter of most of the big free trade initiatives of the past decade. When Mr. Levin suggested a negotiation on the substance of the bill particularly on the issue of how labour standards should be incorporated into new trade deals Mr. Thomas fired back: "I consider you part of the enemy on this issue."

The incident, recounted in the new edition of I.M. Destler's *American Trade Politics*, published earlier this month, highlights why the administration is having such difficulty persuading Congress to endorse a bilateral trade agreement with Central America.

The bill giving the White House "trade promotion authority" (TPA) passed the House in December 2001 by a single vote, only after Republicans held the vote open for 20 minutes to persuade enough of their colleagues to switch sides. Mr. Destler calls it "the most partisan congressional vote on such a bill since the 1930s". In the end, only 21 of the 210 House Democrats voted for the bill.

After the passage of relatively non-controversial trade deals with Chile, Singapore, Morocco and Australia, George W. Bush is now facing his first serious test under TPA with the Central American Free Trade Agreement (Cafta), which could be voted on in Congress as early as this week. The president warned last week that Central America's embrace of democratic governments and free markets could be jeopardized if Congress rejected the pact.

"These small nations are making big and brave commitments, and America must continue to support them," he said.

Unlike past trade agreements, if Cafta passes it will be almost entirely due to Republican support. As of the weekend, only five Democrats out of the 206 in the House of Representatives had said they would support the agreement.

The White House may still get the votes, but it is likely to pay a very high price. With the Republican party holding a 30-seat House majority, the administration is using every tactic available to persuade its recalcitrant congressional members to support the deal.

It has tried to placate textile-state Republicans by imposing new quotas on Chinese textile imports, and to mollify those in sugar producing states by pledging to pay Central American sugar growers not to sell their sugar to the US.

The strategy is to gain a vote first in the Senate, where passage will be easier, and then use the momentum to try to persuade undecided House members. The administration believes it may still win over as many as 15-20 Democrats, which would probably be enough to secure House support.

But a US trade official acknowledged that the lack of Democratic support "means we are going to have to make some trade-offs with elements of the Republican party that do not normally support trade agreements. That will probably involve making some uncomfortable deals."

Democrats and Republicans disagree over who is to blame for the current partisanship over trade. Administration officials argue that Mr Levin and other Democrats many with strong ties to organised labour have long been determined to embarrass the president and would never have supported a compromise on the original TPA bill or on Cafta.

Indeed, Nancy Pelosi, the Democratic House leader, urged Democrats earlier this month not to vote for Cafta, according to a leadership aide, arguing that Republicans should be forced to support the politically unpopular trade deal.

"When the unions take 180 Democrats off the table, it's not easy," said the administration official.

But Ben Cardin, the top Democrat on trade in the House, said on Friday that he would cast his first vote ever against a free trade agreement, and that politics had nothing to do with it. He said many otherwise pro-trade Democrats simply would not support a bill that he said did nothing to strengthen worker rights in Central America and would expand the pool of cheap labour undercutting US workers.

Opponents of Cafta are urging Republican members of Congress to resist White House blandishments and stand firm against the deal. Public Citizen, a consumer group opposed to the agreement, recently studied all the promises and side deals used to win votes for trade agreements in the past and concluded that almost 90 per cent had been broken.

But even Democrats concede that Republicans have not paid much of a political price for controversial trade votes. Jim DeMint, the South Carolina lawmaker, provided the final vote for TPA in 2001 and was vilified by many in the textile industry, which is a big employer in the state.

Last year the state's voters rewarded him by sending him to the Senate.