

# Senate Approves Peru Trade Deal

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WASHINGTON — The Senate gave overwhelming final approval Tuesday to a trade agreement with Peru, as most Democrats joined nearly all Republicans in handing President Bush an unusual victory but leaving prospects unclear for other trade deals. The 77-to-18 vote sends the bill to President Bush for his signature.

The administration expressed hope Tuesday that the Peru vote might pave the way for approval of deals with Panama, Colombia and South Korea that Mr. Bush seeks before he leaves office in 2009. But in the current climate of anxiety over trade, that appears unlikely.

“With the strong votes by both chambers of Congress,” said Susan C. Schwab, the administration’s top trade negotiator, “we are sending a strong signal to the world that the United States is regaining its bipartisan footing on trade policy and is a reliable ally to countries that are building political and economic freedom.”

Trade between the United States and Peru is only \$8 billion annually, less than a half a percentage point of the total United States trade volume. But the accord has far-reaching political consequences.

As it had in the House, the Peru deal exposed a rift among Democrats, with 29 Senate Democrats voting yes and 17 voting no. In the House, where the vote last month was 285 to 132, 109 Democrats were in favor and 116 opposed.

Also as happened in the House, Democratic supporters said they were comfortable with the deal because the House speaker, Nancy Pelosi, negotiated concessions from President Bush in May extending protections for workers and the environment in Peru. Democratic supporters also said that the deal opened up markets for American exports.

Other Democrats, and many Republicans, argued that it was important to shore up relations with a crucial ally in Latin America, especially to lure them away from the socialist anti-American leadership of President Hugo Chávez of Venezuela.

The administration makes the same argument for passage of the Colombia deal.

“There is a growing division in Latin America today,” said Senator Charles E. Grassley of Iowa, the ranking Republican on the Finance Committee. “We ought to help countries like Peru that are not going the direction of Venezuela.”

Senator Max Baucus, Democrat of Montana and chairman of the Senate Finance Committee, said the vote was a “very significant” breakthrough for trade.

But Democratic critics argued that the worker and environmental protections stand little chance of being enforced by the administration and that the Peru deal was another example of free trade policies that they argue have cost three million jobs in the last six years and caused a stagnation of wages for the middle class.

“One of the major reasons that the middle class in the United States is shrinking, poverty is increasing and the gap between the rich and the poor is growing wider is in fact due to our disastrous, unfettered trade policy,” said Senator Bernard Sanders, an independent from Vermont.

While none of the four Democratic senators running for president voted Tuesday, they were divided in their positions on the Peru deal. Hillary Rodham Clinton of New York and Barack Obama of Illinois were in favor of it, while Joseph R. Biden Jr. of Delaware and Christopher J. Dodd of Connecticut were opposed.

Senator John McCain of Arizona, the only Republican absent, also because of the presidential campaign, supports the accord.

Senator Harry Reid, Democrat of Nevada and the majority leader, voted no.

Echoing an argument made by the A.F.L.-C.I.O., Democratic critics of the Peru deal also say that the pact with Colombia would be even worse because its government has not done enough to crack down on the murder of labor organizers there. The Panama deal is snagged because a legislative leader there has been charged with murdering an American soldier.

The South Korea trade deal is regarded as having the least chance of passage because of opposition from ranchers to Korean trade barriers to American beef and from the American automobile industry, which fears competition from inexpensive Korean cars and trucks.