

Trade agreement with Peru latest issue in Senate race

Challenger Tom Allen opposes the pact, which President Bush supports.

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A proposed trade agreement with Peru is the latest front in Maine's Senate race between incumbent Republican Susan Collins and her Democratic challenger, Rep. Tom Allen.

Allen has announced his opposition to a free trade pact with Peru, which President Bush supports. The House has fewer than 60 days to act on the legislation implementing the agreement, which Bush sent to Capitol Hill late last month.

The trade deal, if approved by Congress, would eliminate tariffs and duties on most U.S. exports to Peru. At issue is whether free trade agreements create or destroy jobs and allow consumers to buy better goods at lower prices.

Maine lost 3,200 jobs in the paper industry and nearly 2,000 jobs from textile mills between 2000 and 2005, according to the latest U.S. Census Bureau figures.

The Senate Finance Committee voted last week to send the measure to the full Senate for consideration. The panel did not take a recorded vote, but Sen. Olympia Snowe, R-Maine, voted for the bill.

Collins' decision "will be based on her assessment of whether or not the agreement is in the best interest of the people of Maine," said Jen Burita, Collins' spokeswoman.

While Collins previously voted to approve trade agreements with Australia, Singapore and Chile, she did not vote for a trade pact with six Central American countries in 2005 or for a deal with Oman in 2006.

Burita said Collins evaluated each agreement on its merits and what was best for Maine.

Allen voted for the Australian agreement, but opposed all of the other measures.

A key theme of Allen's campaign is to tie Collins to Bush, whose popularity in Maine has plummeted, largely because of the Iraq war. Collins' stance on the war has been a point of contention in the race.

Allen, Democratic Rep. Michael Michaud and Snowe favor a fixed withdrawal date. Collins is supporting legislation requiring the Bush administration to develop plans for a

more limited mission in Iraq and issue periodic reports on the status of plans to redeploy U.S. troops.

"At least for Allen, the goal is to tie Collins to Iraq and Bush," said Mark Brewer, a political scientist at the University of Maine at Orono. "Collins' goal is to make sure (Bush's) performance on Iraq does not drag her campaign down."

Even as Iraq overshadows most issues in the early stage of the 2008 campaign, Allen's opposition to the U.S.-Peru Free Trade Agreement gives him a new opening to criticize Bush.

The U.S.-Peru trade agreement is different from past deals that focused primarily on lowering and eliminating tariffs on a wide variety of goods and services. But critics of trade deals argue that lax environmental and labor standards in foreign countries promote unfair competition because they can produce goods and services more cheaply if they do not have to adhere to U.S. standards.

Under pressure from the newly elected congressional Democrats, the Bush administration renegotiated the agreement so that it included new labor and environmental standards.

"I don't trust Bush to enforce these agreements," Allen said. "What they have done with Peru is progress, but it's not good enough."

If she opposes the Peru agreement, Collins may limit the effectiveness of Allen's attacks, at least in the area of trade. Still, the issue underscores the balance she must find as she tries to remain a loyal Republican while differing with the GOP president on high-profile issues.

"Nine times out of 10, Collins should win," said Stuart Rothenberg, an independent analyst and author of the Rothenberg Political Report. "But particularly in blue states it is tough to be a Republican even if you stress your independence."

In the 2008 campaign, 33 senators face re-election -- 21 Republicans and 12 Democrats. Compounding that challenge is the fact that Republican incumbents face tough challenges in so-called blue states, which include Maine, Oregon and Minnesota. Former Vice President Al Gore and Sen. John Kerry, D-Mass., carried those states in 2000 and 2004.

Incumbent Republican senators are retiring in Colorado and New Mexico. Even though Bush carried Colorado in 2000 and 2004 and narrowly won New Mexico in 2004, both states are trending Democratic. Colorado picked up one Democratic congressman in 2006 and New Mexico is considered a toss-up.

Asked earlier this year if she would ask for Bush's help in the campaign, Collins avoided the question.

"I don't anticipate well, who knows? I really haven't focused on that, but my general view is, anyone who legally wants to help raise money (can)," Collins told The Politico, a Capitol Hill-based newspaper.

Collins' and Allen's opposition to recent trade agreements underscores the rising antipathy toward free trade pacts among voters in both political parties. A Wall Street Journal-NBC poll released Thursday showed that six in 10 Republican voters are opposed to free trade.

Political analysts say free trade used to mean lower prices for American consumers, but today free trade symbolizes a more menacing trend of American jobs being moved overseas.

"Free trade has come to mean other countries can sell here, but we cannot sell there," Rothenberg said. "People don't think of benefits to American consumers, they think of American jobs going overseas."

Meanwhile, Michaud is leading a group of anti-trade Democrats to derail the U.S.-Peru agreement.

He also flew to Costa Rica last month to reassure its citizens that the U.S. would not retaliate against their country if voters rejected Sunday's referendum on the Central American Free Trade Agreement, which Congress approved in 2005. The Economic Policy Institute, a liberal think tank, sponsored the trip, said Peter Chandler, Michaud's chief of staff.

Costa Rican proponents of the trade deal wrote a memo arguing that if the referendum fails, the United States would revoke Costa Rica's membership in the Caribbean Basin Initiative, an agreement that reduces trade barriers to U.S. markets for 24 nations.

"I was not there to tell them yes or no," Michaud, who traveled there with Sen. Bernie Sanders, I-Vt., said in an interview last week. "But it's very offensive that the pro-CAFTA movement is trying to scare citizens."

Nevertheless, Susan Schwab, the U.S. trade representative, warned Costa Rica that the United States would not renegotiate past agreements or negotiate future ones if Costa Ricans did not vote for ratification.

Bush wants Congress to approve the U.S.-Peru deal this year. House Speaker Nancy Pelosi, D-Calif., said there would not be a vote on the Peru pact until the House considered legislation to aid workers who lost their jobs because of U.S. trade policies.