

# Trade Test

By The Hill Editors  
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A House vote on the Peru trade agreement scheduled for next week will be the first test of whether Speaker Nancy Pelosi (D-Calif.) can effectively lead her party on trade, one of the most divisive topics for her caucus.

The most vocal opposition to the agreement will come from Pelosi's own party, as members representing districts with battered manufacturing sectors, particularly in the Midwest, are already lobbying hard against the deal. Many will question why Democratic leaders are supporting any trade deals, given the 3 million decline in U.S. manufacturing jobs since 2001.

Complicating the matter for Pelosi is the fact that some of the most prominent critics are freshman lawmakers whose victories elevated her to the Speakership. One is Rep. Phil Hare (D-Ill.), a former textile worker and union leader elected last year, who has watched firms like Maytag leave his district to produce jobs in Mexico.

Hare and other critics were bolstered over the weekend when Democratic presidential candidate and former Sen. John Edwards (N.C.), whose mother worked in a textile mill, announced his opposition to the Peru agreement. Edwards said the deal did not meet his standard of "putting American workers and communities first, ahead of the interests of the big multinational corporations."

In May, the administration agreed to include stronger provisions protecting labor rights and environmental rules in the Peru deal and in subsequent agreements. The new provisions also weaken protections for brand-name pharmaceuticals in free-trade partner countries, to the displeasure of U.S. drug companies.

Pelosi hailed these changes as marking a "breakthrough for fair trade — where we expand opportunities for American businesses, workers and farmers." Much of her party, however, doesn't think the changes go far enough.

The Peru agreement will be approved because most Republicans, backing President Bush and their leadership, will vote for it. That will allow for Democratic defections.

The question is how many Democrats will vote yes. If a majority votes for the deal, it would be a great boost to Pelosi and the two House members most associated with the framework deal, Ways and Means Committee Chairman Charles Rangel (D-N.Y.) and Rep. Sandy Levin (D-Mich.), who chairs a subcommittee on trade.

A strong Democratic vote would allow these leaders to say they have developed a new congressional trade policy that returns a bipartisan approach to the issue.

On the other hand, if less than half the Democratic Caucus supports the deal, Pelosi, Rangel and Levin will face serious questions, not least from their own caucus members, about whether the framework on trade needs revisiting.

For business and several foreign countries desperate to increase their exports to the U.S., the subsequent question will be what all this will mean for more controversial agreements already negotiated with the larger economies of Colombia and South Korea.