

# Uribe's Failure to Win U.S. Congress Signals Loss of Trade Pact

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Colombian President Alvaro Uribe has fired three generals tied to drug cartels, agreed to extradite a narcotics boss and hired top Democratic lobbyists to try to persuade the U.S. Congress to sign on to a trade accord.

No sale.

Colombia and the Bush administration reached the accord 18 months ago, and it has languished in Congress ever since. Democrats and unions say the murders of Colombian labor leaders and the Uribe government's links to paramilitary groups mean the Latin American nation doesn't deserve the deal.

The standoff has left the White House and business allies such as Wal-Mart Stores Inc. and United Parcel Service Inc. trying to head off what would be the first-ever rejection of a trade agreement by Congress. That would have reverberations reaching far beyond the \$16 billion in commerce between the two nations.

Failure would send a message that the U.S. is turning its back on Latin America and abandoning a six-decade effort to dismantle global market barriers, says Commerce Secretary Carlos Gutierrez, President George W. Bush's top business envoy.

"We have been on this trend of trying to open markets since the end of World War II," Gutierrez said in an interview. "This is not the time to change course."

Gutierrez, 53, is preparing to travel to Panama, Peru and Colombia this week with a bipartisan group of lawmakers as the administration ramps up pressure on Congress to approve accords with each of the countries. The Senate will soon begin considering the Peru accord, which faces less opposition.

## Moving Away From Coca

Democratic leaders, including House Ways and Means Committee Chairman Charles Rangel of New York, oppose the Colombia deal, which Uribe's government says would lead to a flood of foreign investment and provide farmers with a way to move out of illegal coca production.

Democrats took control of Congress in January amid growing apprehension among voters over stagnant salaries, the outsourcing of jobs and the growing trade deficit with China.

Many of the party's newly elected lawmakers ran on a platform of opposition to Bush's trade agenda and want to make good on that pledge.

“Democrats want a trade deal they can oppose, and right now that tail is pinned on Colombia,” says Gary Hufbauer, a fellow at the Peterson Institute for International Economics in Washington, an independent research group. Rangel says that while an accord isn't completely “off the table,” the measure might not be acted upon for years.

### **A History of Violence**

Those against the deal say their opposition is based on the level of violence in Latin America's sixth-largest economy, especially against union organizers.

“It's an outrage that this would even be considered,” says Yvette Pena-Lopes, a lobbyist for the International Brotherhood of Teamsters. While her union is also fighting the deals with Peru and Panama, “Colombia is more personal, because you have the trade unionists being killed.”

Last year, 72 labor leaders were killed, according to an analysis by the U.S. Labor Education in the Americas Project, an independent group that examines data on Colombia for the AFL-CIO, the nation's largest labor federation.

While such killings have dropped by more than half since Uribe, 55, took office in 2002, there are still more union officials killed in Colombia than the rest of the world combined, says Stephen Coats, the group's executive director. And just a handful of the murders have led to arrests, he says.

### **The Most Dangerous Place**

Colombia remains “the most dangerous place in the world to be a labor leader,” says Representative James McGovern, a Massachusetts Democrat who has been among the leaders in Congress in putting pressure on the Uribe government. “There's still no rule of law. If the deal came up for a vote now, not only would I not support it, I would fight against it.”

McGovern may need to make good on that vow. At a meeting with business lobbyists in July, Gutierrez and U.S. Trade Representative Susan Schwab said Bush is committed to pushing Congress to vote on the Colombia accord once work is completed on the Peru deal, according to two people who attended the White House session.

The U.S. International Trade Commission estimates approval of the agreement would increase trade between the nations by 10 percent. Colombia's biggest exports to the U.S., its No. 1 market, include oil, coffee, fruit and clothing; the U.S. sends airplanes, automobiles, corn and factory equipment to Colombia.

### **Disarming Democrats**

In recent weeks, Uribe has sought to disarm Democratic critics. He has agreed to extradite a drug trafficker to the U.S. and fired generals tied to right-wing violence or drug trafficking. McGovern says he handed the government a list of the military leaders he wanted dismissed.

After years of courting Bush and Republican leaders in Congress, Colombia this year hired the Glover Park Group, a lobbying firm founded by former Clinton administration officials, including President Bill Clinton's one-time spokesman Joe Lockhart. Colombian officials have also tried to reach outside Washington to build support, visiting cities such as Los Angeles and Louisville, Kentucky.

They are spreading the message that Colombia is no longer the narco-state of infamous drug kingpin Pablo Escobar, who became one of the world's richest men in the 1980s and was killed by police in 1993 in Medellin. Gutierrez and the U.S. lawmakers will visit Medellin this week to meet labor leaders.

### **Handing In Weapons**

Violence in Colombia has fallen since Uribe took office: Kidnappings dropped by 76 percent from 2002 through 2006, and murders declined by a third to 17,314 in 2005 from 26,311 in 2001. About 40,000 paramilitary and guerrilla fighters have handed in their weapons in return for job training.

“If Congress doesn't pass it, they lose the opportunity to reinforce a link with an important ally in the region,” says Alberto Ramos, senior Latin America economist at Goldman Sachs Group Inc. in New York. “It would signal that U.S. commitment to free trade isn't as strong.”

U.S. corporations are also weighing in. Bentonville, Arkansas-based Wal-Mart, which brings in duty-free flowers, textiles and apparel from Colombia under current trade-preference programs set to expire in February, is helping to lead the lobbying effort.

Cincinnati-based Procter & Gamble, the world's biggest maker of consumer products, and other companies say the Colombia deal is the most important of the three pending agreements in the region because of the size of its market, 45 million people, and growing middle class.

### **'How Much Is Enough?'**

“There's no question that it's a different degree of political difficulty for Colombia,” says Scott Miller, a lobbyist for Procter & Gamble in Washington. When it comes to reducing violence and protecting labor leaders, “the key political question is: How much is enough?”

Rubens Barbosa, a former Brazilian ambassador to the U.S., isn't optimistic.

``There's a wave of protectionism running through Congress and the Democratic Party," says Barbosa, who now heads a consulting firm. ``I don't think the Colombian deal will be approved in the foreseeable future because of the political considerations."