

Peru free-trade agreement splits Democrats

The successful House measure includes party-friendly standards protecting workers and the environment, but most still voted against it.

By Richard Simon
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WASHINGTON -- In a rare victory for President Bush since Democrats took control of Congress, the House approved a free-trade agreement with Peru on Thursday in a vote that exposed a major rift within the Democratic ranks over the issue.

Despite efforts by leading Democrats to persuade a majority of their party to back a deal that included standards to protect workers and the environment, most Democrats nonetheless voted against it, including a number of freshmen who had highlighted job losses and other negative effects of globalization during their campaigns.

House Speaker Nancy Pelosi (D-San Francisco) and 108 other Democrats joined 176 Republicans in approving the measure, 285 to 132.

"I absolutely refuse to have the Democratic Party be viewed . . . as an anti-trade party," Pelosi said. The agreement, she noted, included requirements to protect workers and the environment that represented a "drastic difference" from other trade pacts.

But 116 Democrats and 16 Republicans still opposed the agreement.

"Districts like mine represent the very worst of unfair trade -- jobs lost, economies devastated and lives shattered," said Rep. Phil Hare (D-Ill.). "Weary of more bad trade deals, last November voters swept fair-trade Democrats into office -- sending a clear mandate for a new direction on trade. And yet here we are, voting on another one-sided, so-called free-trade agreement."

Democratic leaders said provisions in the agreement that require Peru to adopt protections for workers and the environment set a new standard for trade deals. The Bush administration agreed to the changes earlier this year to win Democratic support.

"This is the first step toward a new agreement," said Rep. Sander M. Levin (D-Mich.), chairman of the House Ways and Means subcommittee on trade.

The agreement, the first trade deal to come before Congress since Democrats became the majority after the 2006 midterm election, is expected to win Senate approval.

The vote raised hopes among free-trade advocates that Congress would also approve

trade agreements with Colombia, Panama and South Korea. But none of them are expected to be considered until next year, and they continue to face stiff opposition.

Bush has portrayed the agreements as important to bolster the U.S. economy and promote democracy in regions crucial to America's security. In a statement calling the vote the first step of a "new bipartisan way forward," Bush said, "By strengthening our trading relationships with important neighbors -- including through our trade agreements with Colombia and Panama -- we will significantly advance both our economic and national security interests."

The Peru agreement has erupted as an issue on the campaign trail, dividing Democratic presidential candidates. Former North Carolina Sen. John Edwards has spoken out against it and criticized Sen. Hillary Rodham Clinton of New York for failing to take a position. On Thursday, Clinton said she supported it, calling the labor and environmental protections "very strong." Sen. Barack Obama of Illinois said earlier that he supported the agreement.

Peru accounts for a small amount of trade compared with other countries. The United States exported \$2.6 billion in goods to the Andean nation in 2006. The U.S. International Trade Commission projects an increase of \$1.1 billion in exports of U.S. goods to Peru under the agreement.

Asked about the friction within the Democratic Party over the agreement, Rep. Jane Harman (D-Venice), who supported the measure, said, "Sometimes our party can't take yes for an answer."

Citing the labor and environment standards included in the pact, she explained, "This is what we have defined as fair trade for years. So I think we should be declaring victory."

But a number of Democrats contended the protections didn't go far enough and expressed skepticism about whether the Bush administration would stand behind them.

Rep. Bart Stupak (D-Mich.) asked, "Who will enforce these labor standards? Who will enforce these environmental standards? The Bush administration? I don't think so."

Hare said he thought the vote was a mistake that could hurt the party with its more liberal supporters. "I hope there's not a blowback from our base," he said.

Rep. Linda T. Sanchez (D-Lakewood) said that, although there were improvements in the agreement compared with previous ones, such as the North American Free Trade Agreement, "the agreement is still not good enough."

"I feel like I'm at a used-car lot, and the dealer is trying to sell the American people a beat-up old NAFTA lemon with a new paint job," she said.

Critics of the trade deal seized on reports out of Peru that the government ordered striking

miners to return to work or be fired.

"What I can't understand is why does the Democratic leadership want to give George Bush a victory?" Teamsters President James P. Hoffa said this week in opposing the measure.

The AFL-CIO told lawmakers that it would neither "support the agreement nor oppose it," a spokesman said.

To build Democratic support for the trade agreement, Pelosi worked to win House passage last week of an \$8.6-billion expansion of a federal program that assists workers who lose their jobs because of foreign competition.

Bush, however, has threatened to veto the measure because the administration believes it would expand the program to workers "not demonstrably affected by trade."

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