

Senate OKs Peru free-trade pact

The vote is a victory for Bush, who faces tougher battles over other agreements.

By Richard Simon
Los Angeles Times
December 5, 2007

WASHINGTON -- Congress gave final approval to a free-trade pact with Peru on Tuesday, handing President Bush his first victory on trade since Democrats gained the majority a year ago.

Although the Senate overwhelmingly approved the agreement, the White House faces tougher battles on the rest of its trade agenda heading into an election year in which globalization's effect on American jobs, the trade deficit and product safety are expected to be hot campaign issues.

The Senate vote on the Peru agreement was 77 to 18. But the issue divided Democrats, with 29 voting for the deal and 16 against it, including Senate Majority Leader Harry Reid of Nevada. California's Democratic senators split, with Dianne Feinstein supporting the measure and Barbara Boxer opposing it.

The House last month approved the agreement 285 to 132, with slightly more Democrats voting against it than for it, even though their leader, House Speaker Nancy Pelosi (D-San Francisco), supported it.

The measure's approval gave Bush, who has been battling Democrats over issues including the Iraq war and the federal budget, a rare opportunity to celebrate a congressional vote.

He said he looked forward to signing the agreement, noting that it "signals our firm support for those who share our values of freedom and democracy and expanding opportunity for all."

Trade with Peru is relatively small -- about \$8 billion in 2006. California exported goods worth about \$180 million to the Andean country. The U.S. International Trade Commission estimates that this agreement will add \$1.1 billion to U.S. exports.

Supporters of the agreement have portrayed it as important for fostering good relations, promoting democracy and advancing U.S. security interests in Latin America, including countering the influence of Venezuelan President Hugo Chavez.

In a news conference Tuesday, Bush urged Congress to approve a second pending trade agreement. "The United States can make a difference in South America in terms of

Venezuelan influence, and here's how: The Congress can pass a free-trade agreement with Colombia," he said.

The Peru agreement has been strongly backed by business and farm groups but opposed by some unions, including the Teamsters.

"American workers are fed up with the consequences of our reckless free-trade policies -- their good jobs vanishing," Teamsters President James P. Hoffa said after the vote. "You can bet this is an issue that won't go away before next year's election."

With the exception of Sen. Jon Kyl of Arizona, who voted no, all Senate Republicans voted for the pact except Sen. John McCain of Arizona, who missed the vote to campaign for president but supported the agreement. The two independents split. Sen. Joe Lieberman of Connecticut supported it; Sen. Bernie Sanders of Vermont opposed it.

Among the Democratic senators running for president -- all of whom missed the vote to attend a debate in Iowa -- Sen. Hillary Rodham Clinton of New York and Sen. Barack Obama of Illinois have supported the agreement, while Sen. Christopher J. Dodd of Connecticut and Sen. Joseph R. Biden Jr. of Delaware have opposed it. Former North Carolina Sen. John Edwards has also opposed it.

A number of Democrats who previously opposed trade agreements said they supported the Peru pact because they won concessions from the Bush administration to include provisions that will protect Peru's environment and the rights of its workers.

But Democrats opposed to the measure blamed trade for job losses in their states and spent more time during the debate assailing the 1994 North American Free Trade Agreement, the trade deficit and problems with Chinese-made goods than talking about the Peru trade agreement.

"Passing a trade agreement with Peru is not the change that Americans demanded last year," said Sen. Sherrod Brown (D-Ohio), who highlighted trade in his Senate campaign. "Why would we do another trade agreement when NAFTA didn't work?"

Opponents also expressed skepticism that the Bush administration would enforce the environmental and labor protection provisions. "The right words on paper are just not enough," Sen. Debbie Stabenow (D-Mich.) said.

But Sen. Max Baucus (D-Mont.), chairman of the Senate Finance Committee, called the Peru pact a "groundbreaking achievement" in the trade wars that includes "exactly what many of us in Congress and the labor and environmental movements have been seeking to include in trade agreements for decades."

Free-trade advocates said the Peru vote bolstered hopes of winning passage of trade agreements with Colombia, Panama and South Korea.

But Daniel Ikenson, associate director of the Cato Institute's Center for Trade Policy Studies, called the other agreements "long shots" in this Congress.

For example, Clinton and Obama, who supported the Peru deal, oppose the agreements with the other countries. Clinton has said she is concerned about the history of violence against trade unionists in Colombia.

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