

Bush Meets Skepticism on Free Trade at Americas Conference

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MONTERREY, Mexico, Jan. 13 -- President Bush spent hours here during the past two days at the Summit of the Americas mending fences with his neighbors, Mexico and Canada. But he left the leaders of some other countries feeling shut out.

The way in which the United States uses its money and power in this part of the world still makes some of its allies angry.

The past decade of free trade involving the United States, Canada and Mexico was "a decade of desperation" for their neighbors to the south, who live with "the awful reality of widespread and disgracefully increasing poverty," President Luiz Inacio Lula da Silva of Brazil said Tuesday. The meeting of 34 Western Hemisphere nations was supposed to seek ways to help tens of millions of poor people in the region. For Mr. Bush, that meant more trade.

On Tuesday morning he said, "Trade is the most certain path to lasting prosperity." On Monday night he said, "The best way to eradicate poverty is to encourage trade between nations."

Many leaders of the nations at this conference disagree. Having had wrenching experiences with free market economies and forces like the World Bank, they say nations do not live by trade alone.

The president of Chile, Ricardo Lagos, signed a free trade agreement with the United States; it took effect on Jan. 1. He is politically moderate, leaning a little to the left, and his country has one of the region's strongest economies.

Yet Mr. Lagos spoke plainly of economic injustice and poverty and of the great divide throughout the hemisphere between rich and poor. "This isn't the poorest continent" -- that would be Africa -- "but it might be one of the most unjust," he said.

Another skeptic about trade might be the Argentine president, Nestor Kirchner, who took office in May in the swirl of an economic crisis that has left millions unemployed.

"Not just any free trade accord will work," he said. "Signing one will not be any easy or direct path to prosperity."

"A free trade accord cannot be the sole road in a single direction," he said. "A pact that does nothing to resolve deep existing imbalances will do nothing but deepen injustice and the breakdown of our economies."

The main issues for the Americas, Mr. da Silva said, are "the fight against hunger, poverty and social exclusion," not expanding the borders of free trade agreements. Even the World Bank's leaders do not fully agree with Mr. Bush.

"Free trade definitely brings new economic opportunities," David de Ferranti, a World Bank vice president for Latin America and the Caribbean, said in a report on the North American Free Trade Agreement and its implications for a Free Trade Area of the Americas, the hemispheric pact Mr. Bush seeks with the nations gathered here. "But the lessons from **Nafta** for other countries negotiating with the U.S. are that free trade alone is not enough without significant policy and institutional reforms," the report said.

Those reforms, especially ways to create economic opportunity for poor people without access to the global mall -- international trade, commercial credit, computers, cellphones, shopping centers -- were supposed to be the subject here.

In the end, the leaders produced a largely boilerplate declaration little different from the one they signed in 2001, at the last such meeting. President James Patterson of Jamaica publicly asked that it not be dismissed as "another pious statement of intent."

The declaration did not give the United States precisely what it sought. Washington wanted a deadline of 2005 for the Free Trade Area of the Americas. The declaration does not set a firm date. Nor does it ban "corrupt" governments from those meetings, as the United States wanted. Nor does it adopt Mr. Bush's thinking that trade is the best, most certain path to prosperity.

The populations of the United States, Canada and Mexico together represent about half the 800 million people who live in the 34 nations represented at the conference. The discussion was supposed to be largely about how the other half lives. Perhaps 200 million or more are surviving on a dollar or two a day. Their numbers are increasing.

Mr. Bush's hand in steering the discussion toward free trade was seen as overreaching by some Latin American leaders.

With many millions of landless peasants, they are less interested than Mr. Bush in issues like how to "strengthen property rights so that land can be leveraged as a source of capital," as Mr. Bush said. For nations without land registries or functioning legal systems, those are faraway goals.

As the summit meeting closed on Tuesday night, the consensus seemed to be that President Bush and the leaders critical of his policies had failed to find much common ground or a common language.