

Bush offers CAFTA labor add-ons to woo Democrats

By Doug Palmer

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WASHINGTON (Reuters) - The Bush administration promised on Thursday to address labor concerns plaguing a new free trade agreement with Central America in a bid to win more Democratic support as Congress nears votes on the pact.

U.S. Trade Representative Rob Portman defended the U.S.-Central American Free Trade Agreement (CAFTA) as "the best trade agreement on labor ever signed by the United States."

But in response to concerns expressed by many Democrats and some Republicans about the pact's labor provisions, the Bush administration wants to work with lawmakers to provide long-term funding for enforcement of trade laws in the Central American region and to set benchmarks to verify the countries are making progress in that area, Portman said.

"It is not possible, of course, to renegotiate an agreement that has already been signed by the United States. ... But there is plenty of room to work around the agreement, to bolster the agreement, and that's what we're offering today," he said.

The White House also distributed a letter from former U.S. President Jimmy Carter, a Democrat, endorsing the deal.

"If the U.S. Congress were to turn its back on CAFTA, it would undercut these fragile democracies, compel them to retreat to protectionism and make it harder for them to cooperate with the U.S.," Carter said.

President Bush was to meet with a group of House Democrats on Thursday to discuss CAFTA.

Key congressional committees will take up the Central American pact next week, setting the stage for a vote in the Senate and the House of Representatives "shortly thereafter," Portman said. He expressed confidence the agreement would pass, despite strong opposition.

The Bush administration is hoping for a strong Republican tally and somewhere in the range of 20 to 30 Democratic votes to get to the 218 it needs for approval in the House. So far, only a handful of Democrats publicly support the pact.

House Minority Leader Nancy Pelosi, a California Democrat, responded coolly to Portman's offer, saying any changes to address labor and environmental concerns held by many Democrats would have to be made to the agreement itself.

"No side letters. No side deals," Pelosi said.

The pact is by far the most controversial of the six free trade agreements that the Bush administration has negotiated since taking office. Intense opposition from labor groups, sugar producers and a portion of the U.S. textile industry has made CAFTA a difficult goal for the administration.

A sizable chunk of the Democratic party in the House votes against all free trade deals.

Other Democrats such as Michigan Rep. Sander Levin, who have voted for recent free trade agreements with Morocco, Australia, Jordan, Singapore and Chile, argue the CAFTA region's poor record on worker rights requires stronger labor provisions that were in those other pacts.

Portman's call for an international donor's conference by the end of July to raise money for labor enforcement in the CAFTA countries "is especially hollow rhetoric from an administration that has repeatedly cut funding for its own Bureau of International Labor Affairs," Levin said.

Portman argued the region's labor rights problem stem from a lack of resources, not poor labor laws, and that CAFTA's labor provisions are superior to those in other agreements supported by Democrats such as Levin and Pelosi.

CAFTA would eliminate tariffs on U.S. exports to El Salvador, Costa Rica, Honduras, Nicaragua, Guatemala and the Dominican Republic and lock in preferential access to the U.S. market that those countries already enjoy.