

Bush sends Peru trade legislation to Congress

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WASHINGTON - President George W. Bush on Thursday sent Congress legislation to implement a free trade agreement with Peru, days after a key congressional committee signaled its support for the pact.

"The agreement represents a historic development in our relations with Peru, and it reflects the commitment of the United States to supporting democracy and economic growth in Peru," Bush said in a message to Congress.

"It will also help Peru battle illegal crop production by creating alternative economic opportunities," Bush said.

Under the agreement, tariffs on about 80 percent of U.S. exports will be eliminated immediately and almost 90 percent, by value, of current U.S. agricultural exports will be able to enter Peru duty-free immediately, Bush said.

"The agreement forms an integral part of my administration's larger strategy of opening markets around the world through negotiating and concluding global, regional, and bilateral trade initiatives," Bush said.

The House Ways and Means Committee on Tuesday approved a draft bill to implement the pact with Peru, after the Bush administration agreed earlier this year to beef up the agreement's labor and environmental provisions.

A number of Democrats remain opposed to the Peru deal, but House Ways and Means Committee Chairman Charles Rangel, a New York Democrat, hailed the committee vote as a sign the two major U.S. parties could work together on trade after years of ugly fights.

Lawmakers will have 90 days to approve or reject the pact without making changes.

Two-way trade between the United States and Peru has doubled over the past three years to nearly \$8.8 billion. U.S. goods exported to Peru reached \$2.9 billion in 2006.