

CAFTA Opponents Optimistic can Defeat Trade Pact

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WASHINGTON, Jan 13 (Reuters) - Opponents of a U.S. free trade pact with five Central American countries and the Dominican Republic said on Thursday they were optimistic the initiative would not be approved by Congress.

Estimates that the agreement is 40 to 60 votes short of what is needed for approval in the U.S. House of Representatives "are not very far out of the ball park," said Larry Weiss, director of the Citizens Trade Campaign, a coalition of labor, environmental and religious organizations.

"It is decidedly more than a handful of votes that they are short and we think it's a significant enough number that they aren't going to bring this up anytime in the near future," Weiss told reporters.

Defeat of the U.S.-Central American Free Trade Agreement (CAFTA) – either through congressional rejection or a decision by Republican leaders in the House and the Senate not to vote on the pact - would be a serious defeat for the Bush administration's trade agenda.

It would raise questions about the utility of concluding ongoing negotiations with other countries in Latin America, including Colombia, Ecuador and Peru. It would also be a blow for U.S. farm and business groups who want quick approval of CAFTA in order to boost exports.

Lori Wallach, director of Public Citizen's Global Trade Watch, called the upcoming battle on CAFTA a referendum on the 11-year-old North American Free Trade Agreement between United States, Canada and Mexico, which she said has failed to deliver on its promises.

"A lot of those who voted for NAFTA are looking at what NAFTA actually performed, as to what their own aspirations for it were," Wallach said.

Because of strong opposition to CAFTA from U.S. sugar and textile producers who fear increased import competition, it will be hard for Republicans to muster the 218 votes needed for approval in the House, she said.

CAFTA supporters can't count on having the nearly two dozen Democrats that voted to approve trade promotion authority, which allows the White House to negotiate trade pacts that can't be changed by Congress, she said. Republicans had to lean hard on their own party members to eke out a one-vote victory margin for that bill in 2001. A final version was approved by just three votes in 2002.

U.S. business leaders acknowledge there will be a tough fight over CAFTA, but say it is still winnable.

"(We're) confident that Congress will see that the benefits of this agreement far outweigh the concerns of any specific segments of the economy," said John Castellani, president of the Business Roundtable.