

UPDATE 1-Pro-Trade U.S. Democrats Deal Blow to CAFTA

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WASHINGTON, May 4 (Reuters) - Bush administration hopes of winning approval of a free trade pact with Central America dimmed on Wednesday after four pro-trade Democrats in the U.S. House of Representatives came out against it.

"We cannot abide trade deals that lower worker protections or reduce the ability to enforce fundamental labor standards. Unfortunately, CAFTA fails this test," said Rep. Ellen Tauscher, chairwoman of the House New Democrat Coalition, a group of centrist Democrats who usually vote for trade deals.

So far, only a few of the House's 202 Democrats have said they would vote for the pact, which was a minor issue in last year's presidential campaign because of Democratic candidate Sen. John Kerry's charge that its labor and environmental provisions were too weak.

Although Republicans control the House with 232 members, many party members face pressure from textile and sugar organizations to vote against the U.S.-Central American Free Trade Agreement. So, leaders could need the help of one to two dozen Democrats to put the deal over the top.

"We cannot do trade agreements by ourselves," said House Majority Whip Roy Blunt, a Missouri Republican. "We'll put 190 or so of our members on the line, just as we always do, and if this doesn't happen it doesn't happen because the Democrats will tell you they'll be there and never are."

Tauscher was joined by three other New Democrats -- Rep. Artur Davis of Alabama, Rep. Ron Kind of Wisconsin and Rep. Adam Smith of Washington -- who said they could not back CAFTA because of concerns about child labor, sex discrimination in the workplace and obstacles to forming unions in the five Central American countries that are part of the pact.

"We are dealing with five nations where 17 million children between five and 14 got up this morning and went to work," Davis said. "Let's go back to the table and let's ask the CAFTA countries to repair to a higher standard."

The pact includes the Dominican Republic in addition to Costa Rica, El Salvador, Honduras, Guatemala and Nicaragua.

The Bush administration says CAFTA labor provisions are consistent with recent U.S. free-trade agreements with Australia, Morocco and Jordan that many Democrats supported.

The pact requires each CAFTA country to effectively enforce its own labor laws, backed by the possibility of up to \$15 million in fines per year for failure to do that.

"I look forward to reaching out to Democrats to discuss the clear benefits of (the pact) to U.S. workers, farmers and service providers and to make clear how the agreement can improve labor conditions" in the six countries, U.S. Trade Representative Robert Portman said in a statement.

House Republicans accused Democrats of opposing the agreement as part of a general effort to try to block President George W. Bush's second-term initiatives.

Central America "is a bigger market for American products than Australia and it's got better labor provisions than Morocco, both of which they supported," said Rep. Kevin Brady, a Texas Republican in charge of rounding up CAFTA votes. "We will win this fight. (But) it will be very tight."