

Senate approves Peru free trade deal and sends to Bush

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WASHINGTON - The U.S. Senate on Tuesday overwhelmingly approved a free trade pact with Peru, handing President George W. Bush his first legislative trade victory since Democrats took control of Congress in January.

"This solid bipartisan vote by the United States Senate for the Peru Trade Promotion Agreement will ensure a vibrant two-way trade relationship and enduring friendship in our hemisphere," U.S. Trade Representative Susan Schwab said in a statement.

The Senate voted 77-18 to pass the agreement, which was revamped earlier this year to include groundbreaking labor and environmental provisions.

Senate Republican leader Mitch McConnell said he hoped the Peru vote would set the stage for Congress to approve other pending agreements with Colombia, Panama and South Korea.

But Senate Finance Committee Max Baucus, a Montana Democrat, said Congress should focus first on renewing "trade adjustment assistance" for workers who have lost their jobs because of import competition or a U.S. factory moving overseas.

The House voted 285-132 in favor of the Peru agreement last month. The deal locks in Peru's duty-free access to the U.S. market, while phasing out Peru's tariffs on U.S. agricultural and manufactured goods.

Supporters expect a big boost to U.S.-Peru trade, which totaled about \$8.8 billion last year.

"By implementing this agreement, Congress will level the playing field for U.S. farmers, manufacturers and service providers in this important market," said Sen. Charles Grassley, an Iowa Republican.