

## A victory for free trade

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Costa Rica struck a psychologically timely blow for free trade Sunday when it approved the Central American Free Trade Agreement in a national referendum, becoming the last member of the pact to join. The close "yes" vote, at 51.6 percent of the total, reflected a hard fought debate on the agreement, which gives Costa Rican goods — particularly agricultural produce and textiles — freer access to U.S. markets, but also lowers tariffs that protect Costa Rican enterprises from foreign goods.

Fortunately, Costa Ricans concluded that CAFTA would do more good for their economy than harm, despite astonishing effort by U.S. congressional leaders to persuade them otherwise. House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid in effect offered Costa Rica a safety net if it rejected CAFTA, saying it still might retain benefits under another trade pact, the Caribbean Basin Initiative, according to The Washington Post. However, that pact expires next year, and the Bush administration warned Costa Rica there is no guarantee that its benefits will be extended. Sen. Bernie Sanders, I-Vt. and Rep. Michael Michaud, D-Maine, paid a visit to Costa Rica in September to support the anti-CAFTA forces.

These congressional interventions reflect a fierce battle in Congress between pro-business, pro-free trade interests and the nation's labor unions over the fate of the administration's free trade agenda. An agreement by the administration last spring to include labor and environmental issues in negotiations with Peru, Colombia and Panama was supposed to clear the way for congressional approval of those free trade pacts this year, plus one with Korea. The agreement appeared to open the door to a congressional extension of the president's trade negotiating authority, which expires this year. Instead, all four trade pacts, plus the so-called "fast track" negotiating authority, are in trouble.

Looming in the background is the possibility that ongoing negotiations over a new worldwide trade agreement may at last amount to something. A recent report in The Wall Street Journal suggests that the Doha round of trade talks, underway since 2001, is approaching a climax that could open many protected markets to American manufacturers and financial companies.

It would be a setback of major proportions to the nation's economic interests if Congress were to withdraw its approval of the president's authority to conclude such a deal.

Let's hope that Costa Rica's decision to embrace free trade will encourage its supporters here and set back its enemies.