



House takes up a new sort of trade bill

Editorial

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The bilateral free trade deal with Peru that the House of Representatives will consider today represents a triumph for congressional moderates who pushed the Bush administration to put more teeth in bills that liberalize trade.

Some on the American left retain a reflexive dislike of anything that smacks of "free trade" on the ground that it robs American workers of well-paying jobs. But Rep. Earl Blumenauer, D-Ore., who sits on the Ways and Means Committee that unanimously approved the Peru deal, sees it differently. The congressman says the Peru pact is "absolutely a new approach" to America's trade agreements. It will be the model for similar agreements to come with Panama, Colombia and South Korea, he says, although Congress doesn't expect to take up those deals this year.

The proposed agreement with Peru allows the United States to enforce labor and environmental requirements in a way that previous trade deals haven't. For example, Peru dropped a plan to open a vast national park to oil and gas exploration after negotiators pointed out that it could violate the new trade deal.

The deal also required Peru to embrace certain principles governing its workers, including submitting disputes to the jurisdiction of the International Labor Organization. This helped win the support of the AFL-CIO, though some other unions still oppose the deal.

U.S. pharmaceutical companies objected to parts of the deal that may weaken their overseas patent protections, but the White House dropped its resistance on their behalf and the House committee passed a version that won't require foreign governments to compensate firms for delays in getting their drugs to the market. And the agreement also affirms the principle that both governments have free rein to act in the interest of public health.

Most important to the Northwest, and Portland in particular, the deal will lower barriers to U.S. exports, which currently enter Peru with tariffs as high as 30 percent. That will promote additional exports of such items as heavy loading equipment manufactured by Northwest firms. That will help retain high-paying jobs in this region, rather than reduce them.

Blumenauer and others have felt some heat from the left for supporting the Peru deal, but it represents a responsible way for the United States to do business with other countries. We look forward to Congress passing the Peru bill this session and to the president signing it.