

## Progress on Trade?

Congressional Democrats signal approval for a deal with Peru.

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IT APPEARS that the Democratic Congress and the government of Peru have finally gotten to "yes" on the pending free-trade agreement that the Bush administration and Lima negotiated earlier this year. Last week, House Ways and Means Committee Chairman Charles B. Rangel (N.Y.) and trade subcommittee Chairman Sander M. Levin (Mich.) circulated a "Dear Democratic Colleague" letter signaling members of their party that it was now safe to vote for the pact. Mr. Rangel and Mr. Levin assured Democrats that Peru has adjusted its labor laws to meet international standards. A vote on the bill is due in Mr. Rangel's committee tomorrow; the Senate Finance Committee approved it on Friday, 18 to 3. An October floor vote on final passage is within reach.

Much of the credit for the progress belongs to Mr. Rangel and Peruvian President Alan Garcia, each of whom showed considerable flexibility and political skill in recasting the agreement in a form that House Democrats could accept -- without sacrificing its tariff-slashing essence. They spent a good part of the summer dancing this minuet. But let us also be clear that it should never have been necessary in the first place. On May 10, after the Bush administration agreed to incorporate labor and environmental conditions in free-trade agreements, Democratic leaders pledged swift approval for the Peru deal and a similar one with Panama, only to renege a month later under pressure from organized labor. That sent the Peru deal into the purgatory from which it has now, seemingly, been rescued.

The agreement with Peru is worthy of support both in economic terms and as a political gesture to a pro-U.S. country in a region plagued by Venezuelan President Hugo Chavez's populist anti-Americanism. But the deal is relatively tiny; U.S.-Peru trade amounted to only \$8.8 billion in 2006. Much bigger -- and politically significant -- agreements with Colombia and South Korea remain to be approved, along with the Panama accord. Each faces powerful opposition: Ford Motor Co. and the autoworkers union don't want the South Korea deal on the spurious grounds that it fails to open South Korea's auto market completely.

Human rights advocates are trying to defeat the Colombia pact because, they claim, President Alvaro Uribe hasn't done enough to punish human rights abuses. Never mind that a newly released open letter signed by 14 former Democratic members of Congress and 29 former Democratic executive branch officials credits Mr. Uribe with "steadily and significantly" reducing violence. So far, Democrats on Capitol Hill have been content to let the anti-trade forces call the tune for their party. The revival of the Peru deal is a promising sign that Democratic protectionism can be tamed. But if the party wants to be taken seriously on trade policy, it must still change course on Colombia and South Korea.