

Musgrave in favor

House OKs CAFTA by two-vote margin

WASHINGTON (AP) — President Bush insisted that the small trade agreement with six Latin American nations would pay big dividends for security, stability and freedom in the Western Hemisphere. After persistent lobbying by the White House, Congress finally agreed.

It took personal visits from the president and vice president, along with strenuous arm-twisting from Republican leaders,

before the House passed the Central American Free Trade Agreement early Thursday by a two-vote margin, 217-215.

Rep. Marilyn Musgrave, R-Colo., voted in favor of the agreement.

The Senate approved CAFTA last month 54-45, and it now goes to the president for his signature.

It was a major victory for the

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Bush administration, which had to fend off claims by critics that the pact would harm American workers.

"CAFTA helps ensure that free trade is fair trade," the president said in a statement following the vote. "By lowering trade barriers to American goods in Central American markets to a level now enjoyed by their goods in the U.S., this agreement will level the playing field and help American workers, farmers and small businesses."

The accord eventually eliminates tariffs and other trade barriers between the United States and Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic. The countries signed the trade deal a year ago.

Those nations join Australia, Chile, Singapore, Jordan and Morocco in seeing free trade agreements approved during Bush's time in office.

The president took some political risk placing the relatively small trade pact at the top of his economic agenda. He and numerous administration officials advertised the agreement as a tool to give fragile Latin American democracies the opportunity for stability and prosperity.

The House vote, supposed to take 15 minutes, dragged on for an hour as negotiations swirled around the floor among GOP leaders and rank-and-file members reluctant to vote for the agreement. In the end, 27 Republicans voted against CAFTA, while 15 Democrats supported it.

House Republican leaders prevailed over mostly Democratic objections that the agreement leaves American workers vulnerable to losing their jobs, and

Latin American workers vulnerable to laboring without employment protections.

"It will widen the gap between the haves and have-nots, weaken labor and environmental standards and set a dangerous precedent for future trade agreements," said Rep. Robert Menendez, D-N.J.

Those who backed the agreement said goods like the apples, pears and cherries grown in Washington state and the corn, soybeans and tractors produced in Illinois will be sold free of duties in a market of 44 million people.

It levels the playing field with the Latin American nations party to the deal that already escape duties on 80 percent of their exports to the United States, they said.

Bush administration officials dispatched to sell the idea to reluctant lawmakers said the stakes went beyond a newly opened market in a region that bought about \$15 billion worth of U.S. goods last year.

They used a national security argument, saying that rejecting the deal would impoverish the region and undermine new and fragile democracies. Instability and poverty would drive people north and increase the flow of illegal immigrants into the United States.

"Certainly CAFTA doesn't fix all the problems facing Central America," said Rep. Jim Kolbe, R-Ariz. "But increased integration can only add jobs and help alleviate poverty, reduce the flow of migration northward and make the region more competitive in world markets."

The administration won over several Republicans by pledging to protect textiles from Central American imports, but some

never warmed to the agreement. A few lawmakers from states that produce textiles and sugar continued to fear that new imports would wipe out industries in their districts.

"I don't see any benefits for workers, for sugar people," said Democratic Rep. Charlie Melancon, who said his family owed everything to 225 years of sugar production in his home state of Louisiana.

"We've given away textiles. We've given away steel. We've given away fruits and vegetables," Melancon said. "Now let's just go ahead and give away everything and be dependent on every other country for our food and our defense."

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