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## U.S. House committee OK's CAFTA proposal

**A U.S. House committee gave tentative approval to a proposed free trade agreement with Central American nations.**

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**WASHINGTON** - A panel in the House of Representatives moved closer Wednesday to final passage of a controversial free trade agreement with Central American nations that has been the source of intense lobbying efforts.

In a nonbinding vote of 25-16, the House Ways and Means Committee approved a slightly amended version of draft legislation submitted by the Bush administration for the Central American Free Trade Agreement, known as DR-CAFTA. The action sets the stage to send the legislation to the full Congress for final approval.

President Bush has been meeting with legislators from both parties to appeal for their support in what promises to be one of the most divisive trade issues since the North American Free Trade Agreement with Canada and Mexico was approved more than a decade ago.

Wednesday's vote in the House follows the Senate Finance Committee's 11-8 vote Tuesday in favor of the draft legislation.

The action in both chambers was part of "mock mark-up" procedures to allow legislators to recommend minor changes to CAFTA.

The White House can accept or decline the recommendations before the legislation is formally submitted to Congress, which then has up to 90 legislative days to approve or reject it. Trade agreements negotiated by the administration can't be amended when they come up for a final vote.

Signed a year ago with five Central American nations and later the Dominican Republic, the trade agreement calls for eliminating most tariffs on U.S. manufactured and farm goods sold to the region and compels those countries to open up their service and telecommunications industries and to protect intellectual property rights.

The signatory countries to CAFTA include Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic. Together, those countries account for more than \$33 billion in trade with the United States.

Fort Lauderdale Republican Clay Shaw, chairman of the Subcommittee on Trade, told panel members that exports from countries in the region already enter the United States duty-free.

"Today starts the process where U.S. consumers, manufacturers, farmers and firms receive this same fair treatment," Shaw said.

Rep. Charles Rangel, (D-NY), who was not successful in his proposed amendment to ensure that labor laws are enforced, argued that democracy thrives in troubled countries when the poor have stable jobs.

"If you're going to have a two-way street, we have to make certain that the people in that country have disposable income," Rangel said. "And, just as we protect the rights of our researchers and patent-makers by having intellectual property rights provisions, it seems no less important to protect the rights of those

people who are working."

The House recommendations approved Wednesday call for adding provisions in the legislation that would create periodic reporting on efforts to improve labor standards and requires the president to make recommendations for amending the Trade Adjustment Assistance Act, if CAFTA is determined to hurt workers in the service industry a year after implementation.

Still unresolved is how to deal with the strong opposition by the sugar industry. The legislation, as drafted, would allow a 50 percent increase in sugar imports into the United States, phased in over 15 years.