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CAFTA generates healthy debate

BY DAVID S. BRODER

davidbroder@washpost.com

The fight over the Central American Free Trade Agreement is a stand-in for a much larger debate over economic policy and political leadership. Its implications go well beyond the immediate stakes in the battle.

CAFTA in itself is small potatoes. Most of their products already enter the United States duty-free. Our exports to them are modest. But CAFTA comes before Congress this summer in an environment of increasingly serious economic debate.

Much of the opposition is generated by organized labor, a key Democratic interest group. But the notable thing about the CAFTA debate is that New Democrats -- the Clinton disciples, who have been strong supporters of liberal trade agreements -- are opposing this one.

But the administration lobbyists cannot blame this defection on the unions. Organized labor has rarely been weaker in decades than it is at this moment. Its membership continues to decline and the AFL-CIO is wracked by a bitter internal fight over the leadership of its president, John Sweeney.

No, the reason that the New Democrats have balked on CAFTA is that they believe it does not address the realities of the new economy in which their constituents, many in the high-tech world, work. Simon Rosenberg, the head of NDN, formerly known as the New Democrat Network, and Roberto Shapiro, a Clinton administration Commerce Department official, argue that Democrats should not support CAFTA until its labor and environmental standards are strengthened and steps are made to help American workers cope with the pressures of globalization.

On the first point, Rob Portman, the able new chief U.S. trade negotiator, argues that CAFTA's provisions are superior to those of the free-trade agreement with Jordan, signed at the end of the Clinton administration.

Portman is a sincere person and open-minded about ways to improve the standards in those Central American countries. But the administration is not prepared to do what Clinton did in the Jordan agreement -- to apply exactly the same remedies to violations of labor and environmental standards that it would impose for violation of the agreement's commercial standards. To many Democrats, that represents retreat.

But even more important is the lack of commitment from the Bush administration to the kind of measures that would address the anxieties of American workers -- expansion of health insurance and controls on healthcare costs, a higher minimum wage and generous funding of education.

When the benefits of liberal trade -- and the benefits of economic growth -- are more widely shared, political support for CAFTA and similar measures will be easier to find. Until then, it is going to be a battle.

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