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GOVERNMENT

# This Trade Pact Won't Sail Through

Expect a bruising CAFTA debate as both parties try to score points with Latinos

In the three years since Congress handed the White House carte blanche to negotiate free-trade deals, lawmakers from both parties have rubber-stamped a handful of minor pacts. But the Central American Free Trade Agreement (CAFTA), scheduled for Apr. 6 hearings, promises to be a bitter battle as both parties maneuver to appeal to Hispanic voters.

Democrats and their labor allies are closing ranks against CAFTA as harmful to workers in the U.S. and Central America. Meanwhile, the Administration is ready to paint Democratic foes of the pact as anti-Hispanic. "You have six struggling democracies trying to do the right thing," says Christopher A. Padilla, an assistant U.S. trade representative whose grandfather emigrated from Guatemala. "How is a vote against that going to look [to U.S. Latinos]?"

## SURROGATES RUSH IN

Nervous democrats don't care to find out. On Feb. 10, Dems on the Congressional Hispanic Caucus warned new Commerce Secretary Carlos M. Gutierrez, a Mexican-American who will be the point man in the lobbying battle, that they consider "any attempt to inject ethnic rhetoric into this debate highly offensive." For its part, the Administration insists that all Hispanics should support the trade pact as the best hope to encourage economic and political reform in Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua. The deal would attract investment and jobs to Central America, the Bushies say, while discouraging its apparel industry from fleeing to China.

To promote the deal, ambassadors and other officials from Central America are rushing in. Their message: "We are your neighbors, and we are poor, and it's not a good idea to keep your neighbors poor," says Carlos Sequeira, Nicaragua's chief CAFTA negotiator. "The critical question is, 'Do you want to lose jobs to your neighbors or to China?'" Proponents argue that much of Central America's export earnings will eventually flow back to the U.S. Meanwhile, the Hispanic Alliance for Free Trade -- a group bankrolled by the Business Roundtable and the National Foreign Trade Council -- paints CAFTA as a tool to discourage illegal immigration.

Opponents such as Representative Xavier Becerra (D-Calif.), a second-generation Mexican-American who has voted for free-trade pacts during his 12 years in Congress, argues that CAFTA "will set off a race to the bottom." Like other pro-trade Dems and Latino activists, Becerra says CAFTA will not require Central American governments to protect workers or ban child labor. What's more, foes say CAFTA could devastate the region's farm economies with a flood of U.S. corn and rice.

With polls showing the U.S. public opposed to such free-trade deals, the GOP needs to scramble to win over 30 to 40 skeptical House Republicans. Playing the Latino card just might do the trick.

By Paul Magnusson in Washington