

House Panel Approves a Trade Pact With Peru

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[WASHINGTON](#), Sept. 25 — A trade pact between the United States and [Peru](#) won bipartisan support in a crucial Congressional committee Tuesday, signaling that some Democrats will be receptive to new trade deals as long as they call on other nations to adhere to international labor and environmental standards.

The action, a voice vote in the House Ways and Means Committee, clears the way for approval of the Peru deal by Congress this fall, with most [Republicans](#) and perhaps a minority of the Democrats supporting it, Congressional aides said. The Senate Finance Committee approved the pact on Friday.

The vote Tuesday was a victory for the Bush administration and Representative [Charles B. Rangel](#), the New York Democrat who is chairman of the Ways and Means panel. Mr. Rangel argued, against the opposition of many Democrats, that well-devised trade deals can benefit American workers and the economy.

Mr. Rangel traveled to Peru in August to win assurances from the Peruvian leadership that they would fully carry out the labor and environmental clauses of the trade deal, which were written in cooperation with the [A.F.L.-C.I.O.](#)

“Today is a very special day in my legislative career,” Mr. Rangel said. But he noted that he may not be able to win over most of his party, adding, “Our membership on this committee means that we will have to do things that at times will not be as popular as we would like them to be.”

Despite the boost for the Peru deal, prospects for other pending trade deals with Panama, Colombia and South Korea remain clouded by continuing disagreements that have to be resolved before the deals can be approved.

Democrats regained control of Congress last year after a campaign in which many candidates promised to block future trade deals. But the Bush administration’s agreement last May to add labor and environmental provisions to the Peru deal and other pending trade pacts changed the political equation on Capitol Hill.

In consenting to move the Peru deal with Mr. Rangel, House Speaker [Nancy Pelosi](#) of California and Senator [Harry Reid](#) of Nevada, the Senate majority leader, reflected the internal pressure inside the Democratic caucus since the Clinton presidency.

While many rank-and-file Democrats fear that trade deals erode American jobs, Democratic leaders have developed close ties with Wall Street and with many high technology and industrial companies that rely on trade agreements to expand their markets overseas.

The hope of pro-trade lawmakers in both parties is that the environmental and labor provisions become a template applied to all trade deals, including those negotiated by a future Republican or Democratic president.

For now, the administration simply hopes that the provisions will make a dent in protectionist sentiment in the current Congress and lure a sizable number of Democrats to other deals before President Bush leaves office next year.

“This is another indication that the Bush administration and Congress can find a way to do the right thing for the American people, the U.S. economy and our key allies in the region,” said Susan C. Schwab, the United States trade representative.

Opponents of the administration’s trade policies said that they would continue to battle the Peru deal and that other pending trade agreements would have a much tougher time because of particular concerns with each of them.

A Panama deal may have the best chance of passage. But Democratic leaders said that the Colombia deal cannot be considered until Colombia does more to end human rights abuses, especially against workers trying to organize. And they said South Korea must take further steps to open its market to American beef, autos and auto parts.

While its symbolic value is high, by itself the Peru vote had little economic significance. Total two-way trade between Peru and the United States was \$8.8 billion in 2006, less than half a percent of the total trade volume between the United States and the rest of the world.

The new deal, the administration says, will ensure Peru’s continued access to American markets while leading to duty-free access overseas for American farm products, construction equipment, auto parts and high-technology goods.

On the other side, critics of the deal say that it represents an extension of Nafta, the North American trade deal worked out in the early 1990s with Mexico and Canada, and that it will cost American jobs, erode American food safety and inspection standards and bar poor countries from making or importing generic drugs.

Lori Wallach, director of Global Trade Watch division of [Public Citizen](#), assailed the Peru vote as bad policy and politics. “This is especially incomprehensible,” she said, “after many of the freshman Democrats, who tipped the balance of power in Congress, were elected by focusing on ending more-of-the-same trade policies.”