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## FREE TRADE

# CAFTA wheeling, dealing begins

**A Senate committee gave initial approval to a free-trade pact with Central America as the Bush administration granted concessions to some countries and the sugar industry.**

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**WASHINGTON** - Horse-trading to secure congressional passage of the controversial trade pact known as CAFTA-DR, the Bush administration on Wednesday offered more financial aid to some Central American nations and concessions to the U.S. sugar industry.

The Bush offer came as the Senate Finance Committee approved the pact with five Central American nations and the Dominican Republic, sending the bill to the floor for a key vote Wednesday night or today.

Usually the House of Representatives takes the lead on trade issues, but the administration has struggled to garner the necessary votes there as a potent coalition of labor groups, sugar farmers and anti-free traders opposes the pact. Officials hope that a positive vote in the Senate, which usually supports free trade, would give the pact some momentum.

The administration Wednesday picked up a couple of key undecided Senate votes in favor of CAFTA-DR, including Sen. Saxby Chambliss, a Georgia Republican who heads the Senate Agriculture Committee.

Chambliss cited concessions by the Department of Agriculture, including a promise to buy up excess sugar imports beyond a certain point and make the surplus available for ethanol production -- presumably to protect domestic sugar producers.

## FARMERS

Sen. Jeff Bingaman, a New Mexico Democrat, also said he would support the pact after the administration promised to increase U.S. aid programs for some CAFTA countries. Bingaman said helping farmers there would reduce migration to urban centers and to the United States.

Bush administration officials confirmed they had promised to make \$30 million available over five years for subsistence farmers in Guatemala, El Salvador and the Dominican Republic. The other nations in the pact are Costa Rica, Honduras and Nicaragua. The latter two are already eligible for U.S. aid under the Millennium Challenge Account aid program.

## MORE AID

The officials said the administration also would double the amount of economic assistance to help those nations improve their enforcement of labor and environmental regulations -- a key concern among Democratic lawmakers who oppose the pact. Central America is to obtain \$40 million in such trade-related assistance next year.

An official with the U.S. Trade Representative office said Sen. James Jeffords, a Vermont independent, would back CAFTA-DR as a result of the bolstered aid.

But the U.S. sugar industry, which has a strong presence in Florida and 18 other states, appeared still deeply set against any compromise.

In a strongly worded e-mail sent out Wednesday, the American Sugar Alliance rejected as "shortsighted" and "repackaged" the latest offer by the Bush administration to postpone until 2007 a pact provision that would allow the entrance of about 100,000 tons per year of additional sugar into the U.S. market from member nations.

Fritz Stein, of the Sugar Cane Growers Cooperative of Florida, said in a statement that the industry was "appreciative" of lawmakers who tried to get a comprehensive solution to our CAFTA concerns ``and we hope they'll cast an emphatic no when they vote on CAFTA."

#### **HAITI ANGLE**

Republicans who favor the trade pact also have been using U.S. aid to Haiti as a way to win backing within the Black Congressional Caucus.

Last week, Rep. Dan Burton, the Indiana Republican who chairs the Western Hemisphere subcommittee of the International Relations Committee, said that one way to win African-American Congress members' vote for the trade pact was ``to address some of the economic problems in places like Haiti."

Rep. Clay Shaw, a Fort Lauderdale Republican who heads the trade subcommittee of the Ways and Means Committee, has inserted language in CAFTA-DR to allow Haitian textiles used by Dominican manufacturers to obtain the same benefits that the Dominicans would have under the pact.

#### **MORE LOBBYING**

The administration intensified its lobbying effort for CAFTA-DR in recent weeks, with Bush meeting with the presidents of the six nations while Agriculture Secretary Mike Johanns, U.S. Trade Representative Rob Portman and Commerce Secretary Carlos Gutierrez visited Congress to lobby lawmakers.

The administration has also underscored the political dimension of CAFTA-DR, saying that a rejection by Congress would weaken its efforts to ensure that democracy takes root in the region.