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SUMMIT OF THE AMERICAS

Bush bruised, not beaten in talks

President Bush faced harsh criticism from Latin American presidents over a free-trade proposal, but no clear winners and losers emerged.

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MAR DEL PLATA, Argentina - There were no clear winners or losers after the Fourth Summit of the Americas ended here Saturday: President Bush and 33 other leaders of the region wound up the two-day meeting brutally divided over a hemisphere-wide free trade zone first proposed in Miami more than a decade ago.

Although the summit was supposed to have focused largely on the issue of job creation, the Free Trade Area of Americas dominated the debate, with Bush pushing for it and leftist Venezuelan President Hugo Chávez leading the opposition.

The proposed free trade zone, which was to have been operational by this year, would eliminate or substantially lower tariffs on goods moving between North and South American countries, streamline customs and remove other barriers to trade.

But the plan has stalled over disagreements over subsidies to U.S. farmers, which some Latin American leaders say make it very difficult for Latin American farmers to compete worldwide. The United States also hopes to put in place hemisphere-wide intellectual property standards that could reduce piracy of copyrighted material in major markets such as Brazil. Latin America argues paying royalties to U.S. pharmaceutical manufacturers make prescription drugs unaffordable for most of its population.

Chávez, who arrived in this coastal town saying he wanted to "bury" the FTAA and then joined thousands of leftist protesters, predictably claimed victory because the final declaration did not repeat previous summits' unanimous statements of support for the trade agreement.

Instead, the heads of state declaration that was signed Saturday recognized that 29 countries, led by the U.S. and Mexico, favor the FTAA, while Brazil, Argentina, Venezuela, Uruguay and Paraguay oppose it. And Saturday's statement called for convening a commission to study the issue after the December round of talks at the World Trade Organization. The dissenting countries argued that world trade issues directly affect regional trade initiatives such as this one.

"This is not a failure of the Free Trade Area of the Americas," Argentine Foreign Minister Rafael Bielsa said. If certain conditions are met, he added, negotiations could move forward. Argentina and Brazil in particular want cutbacks in U.S. agricultural subsidies to level the playing field.

But Bielsa added a stiff warning: "If a treaty lacks what our country demands, then, yes, that treaty is dead."

"It turned out well," said U.S. assistant of state for Latin American affairs Tom Shannon. "Chávez came to Mar del Plata to bury FTAA. Instead he resurrected it. He provoked a very deep debate among the leaders about FTAA," he told The Herald.

The lack of agreement essentially reinforced the split in the hemisphere between two groups: the U.S.-led faction that favors the FTAA; and the five-country opposition front.

Bush, who had come to the summit with low expectations for his pro-FTAA campaign, did not comment on the dispute and left Argentina Saturday, before the end of the talks, for Brazil. There he is expected to meet President Luis Inácio Lula da Silva during a short visit.

But Mexican President Vicente Fox, who emerged at the summit as a spokesman for pro-FTAA countries and whose nation already belongs to the North American Free Trade Zone (NAFTA), said early Saturday that he was disappointed with the disagreements over trade.

"For Mexico and all the countries in the continent -- as we affirmed [at the previous summit] in Québec, Canada, four years ago, it's in our economic interest to use commerce, free commerce, the market system to stimulate employment and improve the income of our people," he said.

Fox and other supporters said the hemisphere-wide free trade zone could still be created without the five opposing countries through bilateral and sub-regional accords. Washington already has signed a free trade pact with Central America and the Dominican Republic and is negotiating another one with Andean nations.

"We are moving toward a continental agreement," Fox said, adding that his country also was going ahead with a special trade arrangement with Chile.

Some participants privately expressed frustration.

From the start, the U.S. and Mexican governments complained about what they saw as the liberal agenda for the talks set by populist Argentine President Néstor Kirchner's government as host of the summit. Bush was constantly under fire by street protesters who turned violent briefly on Friday as well as by Chávez and even the host government.

Chávez, a close ally of Cuban President Fidel Castro, said the trade zone would only widen the gap between Latin America's rich and poor. Chávez is a frequent critic of Bush, having accused him of everything from attempting to overthrow his government in a 2002 coup to preparing to launch a military invasion against Venezuela. Washington has denied all charges.

Kirchner himself had harsh public words for Bush and his administration; at one point, he called for the U.S. government to be a "responsible leader" in the region.

Bielsa nevertheless said he was satisfied with the meetings, because the final declaration included a call for making a priority of creating jobs in the region -- the summit's official theme.

"For me, this summit has been a success," he said.