Executive Summary
Backgrounder
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The U.S.–Colombia Free Trade Agreement: Strengthening a Good Friend in a Rough Neighborhood

James M. Roberts

Colombia, America's best friend in the Caribbean–Andean region, faces hostile regimes on its borders and unfriendly nearby neighbors who dislike Colombia's partnership with the United States. Big protectionist U.S. labor unions and far-left anti-globalization groups have joined these far-left allies of Hugo Chávez—the Castro brothers in Cuba, Daniel Ortega in Nicaragua, Rafael Correa in Ecuador, Nestor and Cristina Kirchner in Argentina, and Evo Morales in Bolivia—in doing all that they can to block the U.S.–Colombia Free Trade Agreement (FTA).

Regrettably, on April 10, 2008, the leadership of the U.S. Congress forced a vote along party lines that has delayed consideration of the pending U.S.–Colombia FTA indefinitely. With this *ex post facto* change in the "fast track" ground rules that have been a bedrock principle of U.S. trade negotiation policy for the past 35 years, Congress reneged on its pledge that trade agreements would receive a straight up-or-down vote within 90 days of submission. Congress also sent an alarming message to America's trading partners around the world that Congress puts short-term political expediency above the long-term interests of the U.S. and its allies.

The Colombia FTA would spur economic development and strengthen Colombian government institutions. Much more than a simple trade agreement, the FTA would seal a deep partnership between two nations that are long-time friends and great defenders of market-based democracy. It would fortify a bulwark against the rising tide of Chávism that has nearly surrounded Colombia and threatens to undermine U.S. hemispheric interests.

Leftist Excuses. Opponents argue that Colombia's history of violence against trade unions should disqualify it from an FTA, but the trade unionists who oppose it have studiously ignored the considerable progress that the Colombian government has made in ending that violence. When pro-U.S. President Álvaro Uribe took office in 2002, violence was ripping the very fabric of the Colombian nation. The combination of the Revolutionary Armed Forces of Colombia (FARC, a violent narcoterrorist guerrilla group and long-time enemy of Colombian democracy), drug traffickers, and paramilitaries had nearly destroyed the Colombian state.

With U.S. help under Plan Colombia, nearly all of the paramilitaries have been demobilized and disbanded under the Uribe administration, and the murder rate has dropped by 40 percent, including a drop of 75 percent among trade unionists. Most of the recent "trade unionist" homicides have been nonpolitical in their motivation but are categorized

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as "anti-union violence" by leftists to further their anti-globalization, protectionist agenda.

The restoration of order and civilian authority has allowed President Uribe's free-market policies to bear fruit, and economic growth in Colombia has taken off. The gross domestic product (GDP) has been rising at an increasing rate since Uribe took office, growing an estimated 7 percent in 2007. Meanwhile, the people can walk Colombia's once-mean streets safely for the first time in memory. Uribe's popularity has soared along with the economy, while the FARC's favorable rating has plummeted to almost zero.

The AFL–CIO alleges that the Colombian government is violating International Labor Organization (ILO) core labor standards, yet the ILO itself says that the labor situation in Colombia is positive and that the government has made significant progress. Opponents allege that the FTA will hurt Colombia's small farmers when, in fact, it will benefit them.

Two recent actions by Congress give the lie to all of these excuses from FTA opponents and demonstrate that their opposition is purely political and protectionist. First, these objections were not raised when Congress recently voted overwhelmingly to renew the Andean Trade Preference legislation that grants Colombian products one-way access to the U.S. market. Second, Congress recently approved a nearly identical FTA with Peru. Colombia and Peru have very similar economies, significant mineral and other natural resources, and similar histories of chronic poverty and income inequality, especially among their indigenous populations. Peruvian economist Hernando de Soto argues that the same rationale that led Congress to approve the Peru FTA should be applied to the Colombia FTA.

Leftist arguments against the FTA are based either on faulty or outdated assumptions about the reality on the ground in Colombia today or on a destructive and fiercely partisan socialist ideology that would diminish economic freedom for everyone. A defeated FTA would hurt Colombian and U.S. workers and their families—the very people the far-left U.S. groups claim to be protecting. By refusing to approve the Colombia FTA, Congress is punishing American workers and businesses for Colombia's tragic history of violence. Rejecting the FTA will not save anyone's life in Colombia, but its passage will be a strong vote of confidence in Colombia's fledgling democracy.

What the U.S. Should Do. Congress should promptly reverse itself and approve the U.S.–Colombia Free Trade Agreement so that it can come into force quickly.

The Bush Administration should continue to give high priority to passing and implementing the Colombia FTA. After the FTA is ratified, the Bush Administration and U.S. businesses can begin a new chapter in U.S. economic engagement with Colombia and the region.

Conclusion. If Congress continues to take its marching orders from the AFL–CIO and blocks the FTA, it will deliver a potential knockout blow to President Uribe and severely damage U.S. prestige and influence in the entire Andean region. A failed FTA will lead Colombians and other Latin Americans to question U.S. reliability as a partner. A vote of "no confidence" against the Colombian people would be a public relations bonanza for Hugo Chávez and the FARC narcoterrorists that he is using to undermine the Uribe government. A defeated FTA would also put at risk the considerable progress made by Plan Colombia since 1999.

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Backgrounder

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The U.S.–Colombia Free Trade Agreement: Strengthening a Good Friend in a Rough Neighborhood

James M. Roberts

Colombia, America's best friend in the Caribbean–Andean region, faces the hostile regimes of Ecuador and Venezuela on its borders, and other unfriendly neighbors are nearby in Cuba, Nicaragua, Argentina, and Bolivia. The main reasons for their animosity are that the Colombian government is solidly committed to its partnership with the United States and is following the same path toward market-based democracy that made the United States the most prosperous nation in world history.

Regrettably, on April 10, 2008, the leadership of the U.S. Congress forced a vote along party lines that has delayed consideration of the U.S.–Colombia Free Trade Agreement (FTA) indefinitely. With this *ex post facto* change in the "fast track" ground rules that have been a bedrock principle of U.S. trade negotiation policy for the past 35 years, Congress reneged on its pledge that trade agreements would receive a straight up-or-down vote within 90 days of submission.[1] Congress also sent an alarming message to America's trading partners around the world that Congress puts short-term political expediency above the long-term interests of the U.S. and its allies.

Colombians deserve the support of all Americans and better treatment from Congress. Congress should promptly reverse itself and approve the U.S.–Colombia FTA (also called the U.S.–Colombia Trade Promotion Agreement or TPA) to seal the alliance with this great ally and friend of the United States.

Talking Points

- On April 10, 2008, the leadership of the U.S. Congress forced a vote along party lines that has indefinitely delayed consideration of the pending U.S.–Colombia Free Trade Agreement (FTA).
- The vote sent an alarming message to America's trading partners around the world that Congress puts short-term political expediency above the long-term interests of the U.S. and its allies.
- In fighting against congressional approval of the FTA, far-left U.S. groups are hurting the very people they claim to be protecting—workers and their families in both the United States and Colombia.
- If Congress votes down the Colombia FTA, it will deliver a major psychological victory to Hugo Chávez, the FARC, and the narcotraffickers that the U.S. has battled for decades in Colombia.
- Congress should promptly approve the U.S.–Colombia FTA, which would increase economic prosperity in both the U.S. and Colombia.

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Colombia Today

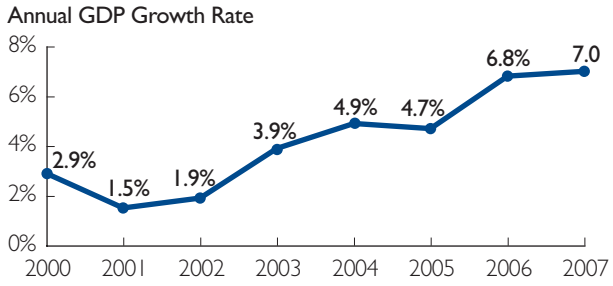
In 2008, Colombia is bustling with people who are excited to see their homeland growing more prosperous and, at last, more peaceful. The vast majority of Colombians are focused on enhancing their peace and prosperity, which will accelerate Colombia's entry into the globalizing economy. The situation is a far cry from the Colombia of a decade ago—a nation wracked by violence and seized with fear, where drug kingpins, narcoterrorist communist guerrillas, far-right paramilitaries, and an assortment of other gangsters ruled with impunity while government, military, and law enforcement officials cowered in their offices.

In the intervening years, many things have changed, but they can be summarized in a few words: Plan Colombia, President Álvaro Uribe, and a new spirit among the Colombian people. Plan Colombia is a bold, multiyear program begun in 1999 by President Bill Clinton and President Andres Pastrana, Uribe's predecessor. Through this plan, the two countries began to rebuild the Colombian state. Plan Colombia has helped the Colombian government to regain control of territory and extend security to the towns and the countryside. Progress has been especially dramatic since 2002, when President Uribe and his center-right, pro-U.S. administration took office.

The restoration of order and civilian authority has allowed President Uribe's free-market policies to bear fruit, and economic growth in Colombia has taken off. The gross domestic product (GDP) has been growing at an increasing rate since Uribe took office, reaching an estimated 7 percent in 2007.[2] Meanwhile, the people enjoy the freedom of safely walking Colombia's once-mean streets for the first time in memory. Uribe's popularity has soared along with the economy, while the favorable rating of the Revolutionary Armed Forces of Colombia (FARC), the violent narcoterrorist guerrilla group and long-time enemy of Colombian democracy, has plummeted to almost zero.[3]

Chart 1 B 2129

GDP Growth Rate for Colombia



Source: International Monetary Fund, World Economic Outlook Database, April 2008, at *www.imf.org/external/pubs/ft/weo/2008/01/weodata/index.aspx* (April 14, 2008).

A Rough Neighborhood

Meanwhile, next door in Venezuela, the other big Caribbean–Andean power, populist President Hugo Chávez has taken his people in precisely the opposite direction since 1999—toward chaos, violence, and growing reliance on an ever more powerful, would-be totalitarian socialist police state. Notwithstanding the hundreds of billions of dollars in oil revenues that have flowed into Venezuela since he took office and his oft-stated claims to the contrary, Chávez has succeeded in keeping his Venezuelan supporters poor and dependent on his regime's ever-expanding and brutal command-and-control machinery. Now he wants to undermine and impoverish his next-door neighbor, Colombia.

Hugo Chávez is on an arms-buying spree. Chávez has already bought $3.4 billion worth of Russian weapons,[4] including "100,000 AK-103s and AK-104 assault rifles…a munitions factory, 53 helicopters—including a dozen Mi-17 military helicopters—and 24 SU-30MK fighter jets."[5] Vene-

1. Under the Trade Promotion Authority statute enacted in 2002, Congress pledged to vote up-or-down within 90 days on trade agreements that were negotiated by the executive branch prior to June 30, 2007, and submitted by the President to Congress for approval.
2. International Monetary Fund, World Economic Outlook Database, April 2008, at *www.imf.org/external/pubs/ft/weo/2008/01/weodata/index.aspx* (April 9, 2008).
3. Author's notes from visit to Bogota, Colombia, December 2007.

zuela is negotiating a multibillion-dollar, multiyear contract to purchase from Russia "five Project 636 Kilo-class diesel submarines and four state-of-the-art Project 677 Amur submarines" and "advanced Tor-M1 air defense missile complexes."[6] A Chávez military adviser boasts that the Russian submarines will "make Venezuela's navy the strongest in the region,"[7] potentially putting the U.S. Navy in harm's way at some point in the future. Some observers worry that Chávez intends to have a devastating first-strike capability against Colombia, especially with the Sukhoi fighter jets.[8]

Evidence from three FARC laptop computers captured during a raid by the Colombian military just inside Ecuador's border in March 2008 has revealed that the FARC depends on substantial financial support from Chávez.[9] The FARC also looks to Chávez to pressure European governments to drop the FARC's terrorism designation in order to give the FARC the political legitimacy that it craves.

Despite the FARC's brutal terrorist acts and inhumane exploitation of hostage situations, its strategists are convinced that they have earned the right to shoot their way into the democratic game in the 2010 Colombian elections. Chávez makes no secret of his desire to use the FARC to topple Uribe and democracy in Colombia so that he can dominate the entire Andean region and fulfill his dream to mimic (falsely) his hero Simón Bolívar.

President Uribe and President George W. Bush want to avert this possibility. One of the main weapons in their "arsenal" of democracy and economic freedom is the U.S.–Colombia FTA that the two governments signed in November 2006.

The U.S.–Colombia FTA is much more than just a simple trade agreement. It would help the United States to complete a contiguous free trade zone along the Pacific Rim from Canada to Chile and to increase U.S. exports to Colombia. More important in the short term, it would also seal a deep partnership between two nations that are long-time friends and great defenders of market-based democracy. The FTA would fortify a bulwark against the rising tide of Chávism that nearly surrounds Colombia and threatens to undermine U.S. hemispheric interests.

Leftist Opposition to the FTA

Big protectionist U.S. labor unions and far-left anti-globalization groups have joined the far-left allies of Hugo Chávez—the Castro brothers in Cuba, Daniel Ortega in Nicaragua, Rafael Correa in Ecuador, Nestor and Cristina Kirchner in Argentina, and Evo Morales in Bolivia—in doing all that they can to block the FTA. They are leading a campaign against its approval by the U.S. Congress.

On the surface at least, their main argument against the FTA is that Colombia's history of violence against trade unions and the government's alleged toleration or even sanctioning of the violence should disqualify Colombia from further consideration for an FTA with the United States. However, these opponents conspicuously ignore the considerable progress that the Uribe government has made in ending that violence.

This paper examines in detail the current situation in Colombia to demonstrate that the left's arguments against the FTA are based either on faulty or outdated assumptions about the reality on the ground in Colombia today or on a destructive and fiercely partisan socialist ideology that would diminish economic freedom for everyone. It also details the many reasons why the FTA is in the best long-term interests of the United States, Colombia, and all of the other democracies in the Western Hemisphere.

4. Russian Information Agency Novosti, "Venezuela to Buy Russian Submarines, Air Defense Systems—Source," June 18, 2007, at *http://en.rian.ru/world/20070618/67363794.html* (March 12, 2008).
5. Pablo Bachelet, "U.S. Alerted to Cuba Migration, Chávez Weapons," *Miami Herald*, February 27, 2008.
6. Russian Information Agency Novosti, "Venezuela to Buy Russian Submarines, Air Defense Systems."
7. James M. Roberts, "If the Real Simón Bolívar Met Hugo Chávez, He'd See Red," Heritage Foundation *Backgrounder* No. 2062, August 20, 2007, at *www.heritage.org/Research/LatinAmerica/bg2062.cfm.*
8. Author's notes from visit to Bogota, Colombia, December 2007. See also Bachelet, "U.S. Alerted to Cuba Migration, Chávez Weapons."
9. Frank Bajak, "Colombian Leader's Raid Gamble Pays Off," *The Washington Post*, March 11, 2008.

Big Labor's Opposition. The AFL–CIO opposed the U.S.–Colombia FTA from the minute negotiations began in 2004. Their opposition reflects the left's overall campaign against all U.S. free trade agreements during the 2008 U.S. election year, despite ample evidence that the North American Free Trade Agreement (NAFTA) and other FTAs have brought huge benefits to all parties.[10]

Numerous press releases and studies have echoed Big Labor's core argument against the FTA:

> The AFL–CIO believes that Colombia's atrocious human right[s] record sets it apart from Peru and Panama, and that no renegotiation of the U.S.–Colombia FTA would adequately address the violence confronting trade unionists in that country or the impunity for perpetrators of that violence.[11]

To counter the Bush Administration's push for a floor vote on the FTA before the August 2008 recess, AFL–CIO executive Linda Chávez-Thompson led a "fact-finding" mission to Colombia in mid-February, accompanied by Communications Workers of America President Larry Cohen and United Steelworkers counsel Dan Kovalik, to "gather information to inform the debate over the proposed trade agreement."[12]

Although the AFL–CIO leaders met with government officials in Colombia, including President Alvaro Uribe and some anti-FTA union leaders, they went out of their way to avoid any encounters with the heads of the numerous trade unions that represent many of the hundreds of thousands of Colombians who work in export industries (e.g., cut flowers, mining, petroleum products, coffee, textiles, sugar, and bananas) or who would otherwise benefit from those exports. These unions fervently favor the FTA and the new investments and jobs that it would bring.[13] Apparently, the Big Labor visitors did not want to risk hearing any inconvenient facts from pro-FTA Colombian labor leaders that might contradict their preordained conclusions.

One pro-FTA Colombian union leader's courageous advocacy of the U.S.–Colombia trade agreement apparently cost him his life. Jairo Giraldo Rey was murdered in his hometown of Cali in November 2007, just before he was to travel to Washington with other pro-FTA Colombian union leaders to lobby Congress to pass the agreement. As reporter Monica Showalter noted, "Giraldo's murder not only silenced an unexpected voice for free trade, it also jacked up union killings data to stoke the case in the U.S. against Colombia's pact."[14]

A History of Violence. Colombia's tragic history of violence goes back to at least 1948 in Bogotá, when a ruthless young Fidel Castro joined others in leading several days of extremely violent rioting by various leftist groups to overthrow the 150-year-old democratic government of Colombia. Many of the rioters, like Castro, were attending an event funded by Argentinean strongman Juan Peron to protest the multilateral meeting then being held in Bogotá, which led to the creation of the Organization of American States. The revolutionaries were also protesting the recent assassination of Jorge Eliecer Gaitan, a lawyer and somewhat populist leftist politician who was running for president against the conservative oligarchy then in power.[15]

Thousands perished in the *Bogatazo*, as the riots came to be known, including Colombian soldiers, revolutionaries, and innocent bystanders. Colombia's major political parties were unable to put a stop to the extreme levels of violence (*La Violencia)* triggered by

10. James M. Roberts, "Want More Economic Stimulus? Pass the Pending Free Trade Agreements!" Heritage Foundation *WebMemo* No. 1830, February 27, 2008, at *www.heritage.org/Research/TradeandForeignAid/wm1830.cfm.*
11. AFL-CIO, *Legislative Alert*, March 15, 2007.
12. James Parks, "AFL-CIO Fact-Finding Delegation Heads to Colombia," AFL-CIO Weblog, February 11, 2008, at *http://blog.aflcio.org/2008/02/11/afl-cio-fact-finding-delegation-leaves-today-for-colombia* (February 19, 2008).
13. Author's notes, meeting with pro-FTA labor leaders, Bogota, Colombia, December 2007.
14. Monica Showalter, "U.S.–Colombia Deal Faces Labor Deceit," *Investor's Business Daily*, April 7, 2008, at *www.investors.com/editorial/IBDArticles.asp?artsec=16&issue=20080407* (April 11, 2008).
15. Brian Latell, *After Fidel: Raul Castro and the Future of Cuba's Revolution: The Inside Story of Castro's Regime and Cuba's Next Leader* (New York: Palgrave MacMillan, 2007), pp. 101–106.

the *Bogatazo* until a decade later in 1958 after more than 200,000 Colombians had been killed. The 1980s and 1990s saw the rise of leftist guerrilla warfare groups such as the Marxist-oriented FARC and the Colombian Liberation Army (ELN). During this insurgency by the FARC and ELN, the Cali and Medellin Cartels dramatically increased cocaine production and smuggling. By the late 1980s, Pablo Escobar, the notorious leader of the Medellin Cartel, had become the world's seventh-richest man and most feared terrorist. His power was such that he threatened "to usurp the Colombian state."[16]

Long isolated in the Colombian jungles, FARC leaders are out of touch with the 21st century. They reject market-based democracy, individual freedoms, urban life, and modernity in general. Their visions of Colombia's future would follow in the footsteps of the apostles of revolutionary violence from Mao Zedong to Che Guevara. Colombian government officials say that negotiations with the FARC are very difficult, since there is little the government can offer them. Extended negotiations ended in 2002 after the FARC turned a safe haven twice the size of El Salvador into a laboratory for violence, misrule, drug trafficking, and kidnapping.[17]

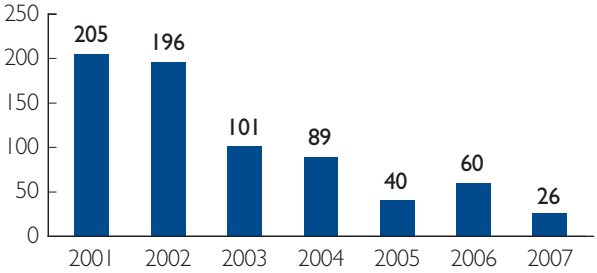
Colombians' historical penchant for resolving disputes through violence has been analyzed by many sociologists, but that is not the principal theme of this paper. This phenomenon has many root causes, including the long-standing existence of criminal and violent narcoterrorist/trafficking gangs; the Colombian government's historical lack of effective control over much of its vast territory (the combined size of California and Texas); the fiercely independent and stubborn nature of the average hardscrabble Colombian, who must carve out a living from often rough and inhospitable terrain; and the long history of class warfare that has been stoked, organized, and funded by Castro and his ilk for the past 60 years.

Many "Union Killings" for Other Reasons. Anti-FTA opponents in big U.S. labor unions place heavy emphasis on the tragic history of violence against Colombian labor leaders and the alleged impunity of their government assailants. All of Colombian society, including union members, has clearly suffered from the horrifically high murder rate of the past few decades. However, more than half of all union members are in the Colombian public sector, with teachers comprising the largest union in the public sector. Given the nature of their work and the lack of any direct connection to paramilitaries sponsored by large landowners, most killings of teachers were likely the result of "normal" motives (e.g., robbery and crimes of passion).

Over the years, certain labor union members and leaders were undeniably targeted for assassination by paramilitaries and others in Colombia. Yet while the AFL–CIO reports the overall toll of violence against teachers and other union members, it fails to note that the vast majority of the "2,500 murders of trade unionists since 1986"[18] occurred prior to 2001. According to statistics from the Embassy of Colombia, the number of murders of union members in Colombia has dropped drastically since 2001, one year before Colombian President Álvaro Uribe was sworn into office. In 2001 and 2007,

Chart 2 B 2129

Murders of Union Members in Colombia



Source: Embassy of Colombia, Washington, D.C., "Colombia: An Update on Actions to Strengthen the Rights and Protections for Trade Unions," April 2008, at *www.colombiaemb.org/docs/Colombia2008LaborUpdate.pdf* (April 14, 2008).

16. Mark Bowden, *Killing Pablo: The Hunt for the World's Greatest Outlaw* (New York: Penguin Books, 2001), p. 15.
17. Author's notes from visit to Bogota, Colombia, December 2007.
18. James Parks, "Act Now to Stop Colombia Free Trade Deal," AFL-CIO Weblog, March 24, 2008, at *http://blog.aflcio.org/2008/03/24/act-now-to-stop-colombia-free-trade-deal* (April 5, 2008).

union killings totaled roughly 200 killings annually. The number fell by half in 2003 and has declined since then.[19] (See Chart 2.)

By the time President Uribe took office in 2002, almost 29,000 Colombians had been murdered. Many politicians from Uribe's political party were among the dead. While a few teachers were certainly killed because of their leftist ideology, a large number of the killings should not be included in the AFL–CIO's "union killings" figures. Many of the murders involved persons in union members' households, not the union members themselves. A high percentage of them occurred for reasons unrelated to union affiliation. As *The Washington Post* recently noted:

> There were 17,198 murders in 2007. Of the dead, only 39 (0.226 percent) were even members of trade unions, let alone leaders or activists, according to the Colombian labor movement. (Union members make up just under 2 percent of the Colombian population.)[20]

Nevertheless, the leftists categorize all of the killings as "anti-union violence" to further their anti-globalization, protectionist agenda.

Plan Colombia and President Uribe

The FARC continued to pursue the overthrow of the Colombian government during the 1990s, but more worldly FARC members also turned to the lucrative and fast-growing businesses of drug trafficking, kidnapping, and extortion. The resulting violence led some far-right landowners in Colombia to form paramilitaries to protect their property in the absence of effective governmental authority.

The best-known of the paramilitary groups was the United Self-Defense Forces of Colombia (AUC),[21] which waged war against the left and the government in the general chaos generated by the armed left and the drug trade. AUC members engaged in a vicious guerrilla campaign against the FARC, the ELN, drug traffickers, and the Colombian army. Some AUC members were also corrupted by the temptation of easy money from narcotrafficking, and a significant number of large landowners in Colombia who sponsored paramilitaries were drug lords themselves. The combination of FARC, drug traffickers, and paramilitaries nearly destroyed the Colombian state.

In 1999, cooperation between President Pastrana and President Clinton led to the rollout of Plan Colombia, a counterinsurgency program that was subsequently endorsed and supported by President Uribe and President Bush. This bold multiyear commitment to create a viable Colombian state has helped the government to regain control of territory and extend security and social services to the towns and the countryside.

The Office of the U.S. Trade Representative reports that more than 30,000 paramilitaries have been demobilized since 2005, when the Colombian government implemented the Justice and Peace Law, which set the rules for the demobilization process.[22] As the Center for Strategic and International Studies recently noted, the FARC and other drug traffickers are on the run, and violence is down significantly. The government has "a legitimate state presence in all of Colombia's 1,099 municipalities," and "[t]he guerrillas have been driven out of many areas that they previously dominated and their mil-

19. Embassy of Colombia, "Progress Report: Strengthening the Rights, Benefits and Security of Unions," October 2007, and Colombia Ministry of Social Protection, cited in Daniel Griswold and Juan Carlos Hidalgo, "A U.S.–Colombia Free Trade Agreement: Strengthening Democracy and Progress in Latin America," Cato Institute *Free Trade Bulletin* No. 32, February 7, 2008, Figure 1, at *www.freetrade.org/node/839* (March 17, 2008).
20. Editorial, "Colombia's Case," *The Washington Post*, April 18, 2008, p. A14, at *www.washingtonpost.com/wp-dyn/content/article/2008/04/18/AR2008041802900.html* (April 21, 2008).
21. Peter DeShazo, Phillip McLean, and Tanya Primiani, *Back from the Brink: Evaluating Progress in Colombia, 1997–2007* (Washington, D.C.: Center for Strategic and International Studies Press, 2007), p. 6, at *www.csis.org/media/csis/pubs/071112-backfromthebrink-web.pdf*.
22. Office of the U.S. Trade Representative, "Colombia FTA Facts," March 2008, at *www.ustr.gov/assets/Trade_Agreements/Bilateral/Colombia_FTA/asset_upload_file144_13716.pdf* (April 11, 2008).

itary capability sapped by the resurgence of state security force."[23]

Another indicator of the success of Plan Colombia—and a development also very helpful to U.S. law enforcement efforts in the war against drugs—is the dramatic increase in the number of significant narcotics traffickers extradited to face prosecution in the United States since President Uribe took office. (See Chart 3.)

Despite the progress of Plan Colombia, the culture of violence continues, and the U.S. remains Colombia's largest export market for cocaine. Ratification of the FTA will help Colombia to continue to strengthen the government institutions that fight ever more effectively the scourge of illicit drugs.

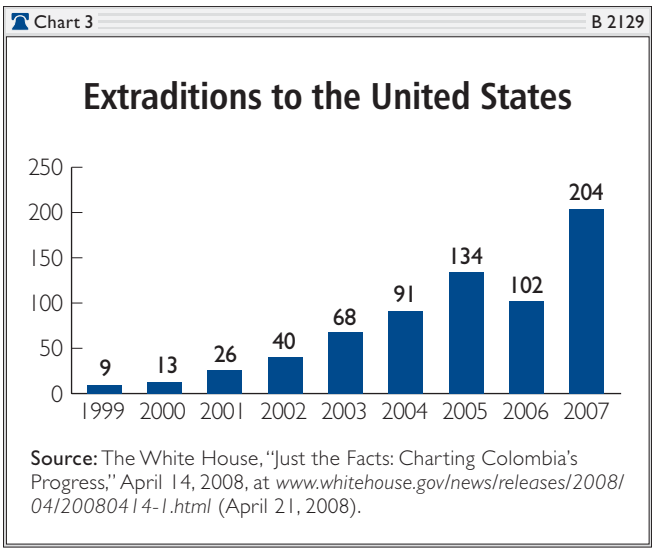
Dropping Murder Rate. When President Uribe assumed power, violence was ripping the very fabric of the Colombian nation. However, the overall murder rate has dropped by 40 percent, kidnappings are down 83 percent, and terrorist attacks are down 76 percent.[24] Plan Colombia has helped to cut cocaine production and smuggling significantly.[25]

The streets of Medellin, once ruled by Pablo Escobar, are now safe enough for visits by senior Bush Administration and congressional officials.[26] The overall murder rate has dropped by 40 percent, and the number of murders of trade unionists has dropped by 75 percent, [27] with only 11 killings so far in 2008.[28]

Sustained Economic Growth. Along with the Uribe government's success in reducing violence came the happy consequence of improved economic performance. As the U.S. State Department reported in March 2008:

> The Uribe administration seeks to maintain prudent fiscal policies and has pursued tough economic reforms including tax, pension and budget reforms. A U.S. Agency for International Development (USAID) study shows that Colombian tax rates (both personal and corporate) are among the highest in Latin America. The unemployment rate in November 2007 was 9.4%, down from 15.1% in December 2002.
>
> The sustained growth of the Colombian economy can be attributed to an increase in domestic security, the policies of keeping inflation low and maintaining a stable currency (the Colombian peso), petroleum price increases and an increase in exports to neighboring countries and the United States as a result of trade liberalization. The Andean Trade Preference Act, which was extended through December 2008, also plays a pivotal role in Colombia's economic growth.[29]

As a result of successful efforts to reduce crime and boost economic growth, President Uribe's



23. DeShazo *et al., Back from the Brink*, p. viii.
24. Office of the U.S. Trade Representative, "Colombia FTA Facts."
25. U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, "International Narcotics Control Strategy Report, 2008," March 2008, at *www.state.gov/p/inl/rls/nrcrpt/2008/vol1/html/100776.htm* (April 21, 2008).
26. Press release, "Secretary Gutierrez to Lead Fourth Congressional Delegation to Colombia," U.S. Department of Commerce, February 28, 2007, at *www.commerce.gov/NewsRoom/PressReleases_FactSheets/PROD01_005275* (April 5, 2008).
27. Hugh Bronstein, "Colombia Trade Deal Dead This Year, U.S. Unions Say," *The Washington Post*, February 12, 2008.
28. José de Córdoba, "Colombia's Uribe Says Passage of Free-Trade Pact Is Critical," *The Wall Street Journal*, April 4, 2008.

approval rating is above 80 percent according to a Gallup Colombia poll cited in *El Tiempo*.[30]

More Economic Freedom. The *2008 Index of Economic Freedom*, published by The Heritage Foundation and *The Wall Street Journal*, scored Colombia's economy at 61.9 out of a possible 100 (with 0 equaling "repressed" and 100 indicating "free"), making it the world's 67th freest economy, up from 79th freest in 2007.[31] Colombia is ranked 15th out of 29 countries in the Americas.[32]

Meanwhile, Uribe's next-door nemesis Hugo Chávez has practically destroyed the Venezuelan economy, which now cannot provide sustainable jobs or prosperity for anyone not connected to the regime. Venezuela's economic performance indicators have been dismal. It ranks near the bottom worldwide—148th out of 157 countries—in the *2008 Index of Economic Freedom*. Venezuela has the second-lowest economic freedom score in the Western Hemisphere. Only Cuba scores lower.[33]

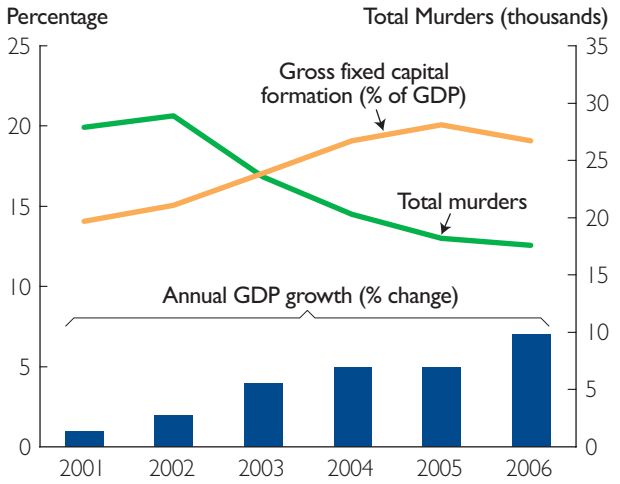
Dramatic Drop in Extrajudicial Killings. A constant refrain heard from U.S. and Colombian leftist NGOs and unions is that the paramilitaries can still act with impunity and are protected by the Colombian government. This allegation is false.

While extrajudicial killings are still occurring, they have been greatly reduced. President Uribe made it clear from the day he took office that his government would not tolerate paramilitary activity and would prosecute criminals in the AUC and other far-right groups. In fact, nearly all of the paramilitaries have been demobilized and disbanded under the Uribe administration.

Furthermore, "[t]he Colombian government has tripled spending on protection for unionists, human rights activists, and other at-risk individuals and [has] established a special unit to prosecute crimes against trade unionists."[34] In 2007, the Colombian government spent $39.5 million on this security program to protect at-risk individuals. Of the roughly 9,400 individuals benefiting from individual protection schemes—which range from bodyguards and armored vehicles to cell phone networks (see Chart 5)—1,959 are unionists, which is an increase from 2006, when unionists accounted for 1,504 of the 6,097 individuals being protected.[35]

Chart 4 B 2129

The Uribe Effect



Sources: World Bank, World Development Indicators Online, at *http://publications.worldbank.org/subscriptions/WDI* (April 14, 2008; subscription required), and Embassy of Colombia, Washington, D.C., "Colombia: An Update on Actions to Strengthen the Rights and Protections for Trade Unions," April 2008, at *www.colombiaemb.org/docs/Colombia2008LaborUpdate.pdf* (April 14, 2008).

29. U.S. Department of State, Bureau of Western Hemisphere Affairs, "Background Note: Colombia," March 2008, at *www.state.gov/r/pa/ei/bgn/35754.htm* (March 7, 2007).
30. Helen Murphy, "Colombia's Uribe Approval Rating at Record 84%, Tiempo Reports," Bloomberg News, March 13, 2008, at *www.bloomberg.com/apps/news?pid=20601086&sid=ahXLyUYpg6HE* (April 7, 2008).
31. Kim R. Holmes, Edwin J. Feulner, and Mary Anastasia O'Grady, *2008 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2008), at *www.heritage.org/research/features/index/countries.cfm*.
32. *Ibid.*, pp. 141–142.
33. *Ibid.*, p. 65.
34. Doug Palmer, "Labor Leaders to Visit Colombia As Bush Presses for Vote," Reuters, February 7, 2008, at *www.reuters.com/article/domesticNews/idUSN0739641220080207* (February 19, 2008).

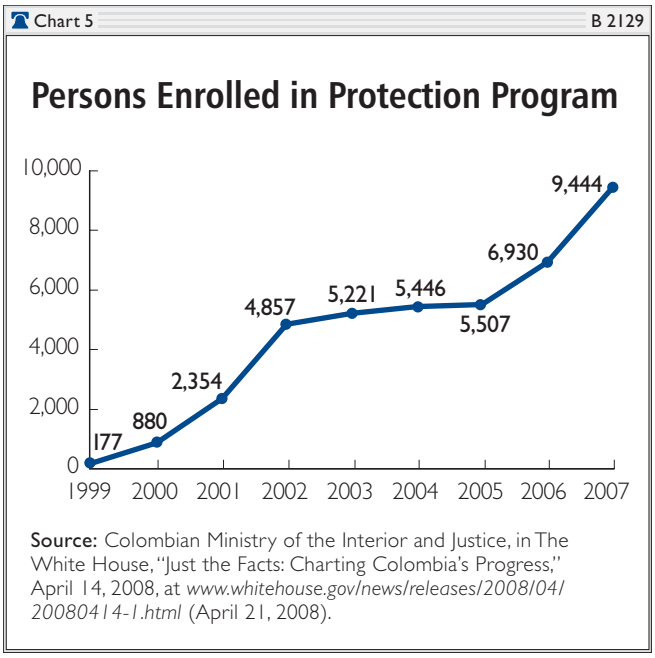
The Prosecutor General's office has led the charge in dealing with past killings, resolving 73 cases of union-member murder and convicting 156 individuals since 2001. A special labor subunit created in November 2006 to focus on labor union killings has resolved 40 cases and convicted 67 people.[36] The unit has 13 prosecutors and more than 70 judicial police investigators, and more will be hired in 2008.[37]

Other Misguided Objections to the FTA

When confronted with this evidence that systematically refutes their major objections, opponents of the U.S.–Colombia FTA fall back on a series of relatively minor complaints. FTA critics, for example, blame the Colombian government for ineffective laws against child labor and insufficient action to ensure safety in the workplace and to assist internally displaced persons (IDPs) in Colombia who have suffered because of decades of guerrilla warfare.

Labor Standards. The AFL–CIO alleges that the Colombian government is "not in compliance with International Labor Organization (ILO) core labor standards."[38] Yet a November 2007 ILO report concluded, based on a visit to Colombia, that the labor situation in Colombia is positive and that the government has made significant progress. The report specifically praised the "the cooperation of the Government of Colombia with the ILO officials in their work to conclude the Tripartite Agreement on Freedom of Association and Democracy."[39]

Opponents are also willfully blind to the many successes stemming from a wide variety of substantial USAID programs that are jointly funded with the Colombian government. These programs target development assistance to address the problems that festered during the "lost years" of rampant violence and train all employers—small, medium, and large—in proactively ensuring compliance with all Colombian labor laws on occupational safety, child labor, working hours, and other issues of concern to Colombian workers.



These programs are also intended to bring more workers into the formal economy, where they can receive benefits and contribute to the tax base. USAID and the Colombian government are working cooperatively with business owners, but they are also establishing protocols to enforce laws with a system of fines and incentives, and the Colombian Labor Ministry is funding programs to increase the availability of vocational training programs.[40]

35. Office of the U.S. Trade Representative, "Colombia FTA Facts," and author's notes, meeting with U.S. Embassy officials in Bogota, Colombia, December 2007.
36. *Ibid.*
37. Embassy of Colombia, Washington, D.C., "Colombia: An Update on Actions to Strengthen the Rights and Protections for Trade Unions," April 2008, at *www.colombiaemb.org/docs/Colombia2008LaborUpdate.pdf* (April 7, 2008).
38. American Federation of Labor and Congress of Industrial Organizations, "Worker's Rights, Violence, and Impunity in Colombia," January 9, 2008, p. 8, at *www.aflcio.org/issues/jobseconomy/globaleconomy/upload/colombia_briefing.pdf* (April 5, 2008).
39. U.N. International Labour Office, "Fourth Supplementary Report: Implementation Process of the Tripartite Agreement on Freedom of Association and Democracy in Colombia," GB.300/20/4, November 1, 2007, para. 8, at *www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_087328.pdf* (April 5, 2008).

Internally Displaced Persons. Human rights activists opposed to the FTA have faulted the Colombian government for its treatment of IDPs.[41] However, some of those persons labeled as IDPs by the left are actually economic migrants who have gravitated to large cities in search of work and a better life, as is common in many developing countries.

Furthermore, numerous neutral observers have noted tremendous progress on human rights in recent years. Retired General Barry McCaffrey, former commander of the U.S. Southern Command and Director of the White House Office of National Drug Control Policy, visited Colombia in October 2007 and reported that "[t]he human rights situation has improved immeasurably during the President Uribe tenure."[42]

According to a report from the Colombian government:

> Impressive progress has been made in poverty reduction, education and health since 1999. Increased stability has allowed the government to provide more and better services to the country's poor.
>
> - Social spending represents 40 percent of the national budget.
> - Poverty levels have decreased since 1999 from 55 percent to 45 percent.
> - Programs have been developed to improve infant nutrition and health, encourage school enrollment, empower women, and provide food for millions of children.
> - More than 20 million of the country's poor receive full or partial health coverage
> - Infant and child mortality have decreased.
> - Child immunizations have steadily increased.
> - Student completion of elementary school has increased to almost 100 percent, while the number of completing secondary school has also significantly risen.[43]

Small Farmers Would Benefit. Anti-FTA activists have also alleged, without any factual basis, that the FTA will hurt Colombia's small farmers.[44] According to the U.S. agricultural attaché in Bogota, small farmers generally grow high-value-added crops (e.g., coffee and mangoes). These crops would be far superior in quality and lower in price than any coffee or mangoes imported from the U.S., and the FTA would enhance small farmers' access to niche markets (e.g., organic foods) in the U.S.[45]

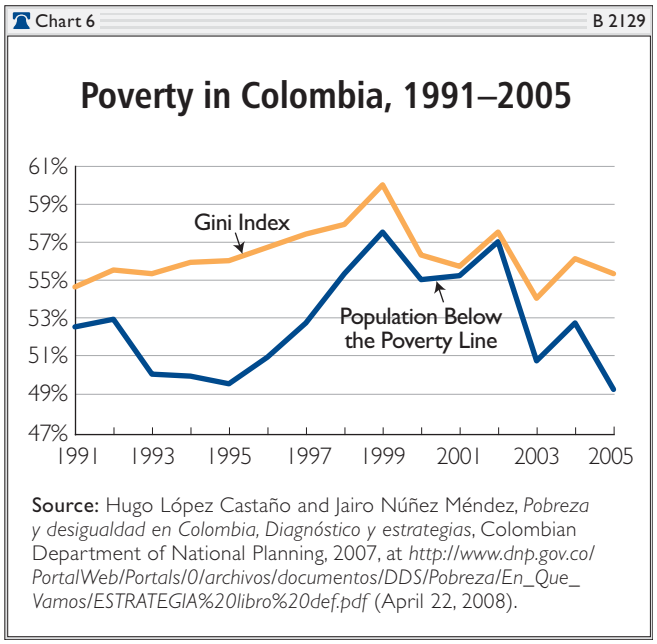
Of all the agricultural producers in Colombia, the small farmers "would be the least affected by the FTA," according to the U.S. Embassy. The agricultural attaché noted that the large landowners in Colombia are inefficiently producing rice, corn, wheat, and other high-volume, low-margin commodities that are currently protected by high tariffs but would face stiff competition from U.S. imports after the FTA is ratified. Lower food prices would more than offset any dislocation actually felt by small farmers due to U.S. agricultural

40. U.S. Agency for International Development, "FY 2006 Budget Justification to the U.S. Congress," s.v. "Colombia Program: Alternative Development," June 14, 2005, at *www.usaid.gov/policy/budget/cbj2006/lac/pdf/co514-008.pdf* (December 13, 2007), and author's notes, meeting with USAID officials, U.S. Embassy, Bogota, Colombia, December 5, 2007.
41. News release, "Colombia: Death Threats Drive Thousands from Their Homes Every Year," International Committee of the Red Cross, February 4, 2008, at *www.icrc.org/web/eng/siteeng0.nsf/html/colombia-news-020408!OpenDocument* (April 5, 2008), and Human Rights Watch, *Displaced and Discarded—The Plight of Internally Displaced Persons in Bogotá and Cartagena*, October 2005, at *http://hrw.org/reports/2005/colombia1005* (April 5, 2008).
42. General Barry McCaffrey, quoted in Embassy of Colombia, Washington, D.C., *Colombia: Perspectives on Progress*, January 2008, p. 5, at *www.colombiaemb.org/docs/2008perspectivesonprogressreport.pdf* (April 5, 2008).
43. *Ibid.*, p. 11 (original bullet points; end punctuation added).
44. Press release, "Oxfam Warns US–Andean Trade Deals Will Harm Developing Countries," Oxfam International, June 14, 2006, at *www.oxfam.org/en/news/pressreleases2006/pr060614_song_sirens* (April 5, 2008), and Labor Advisory Committee for Trade Negotiations and Trade Policy, "The U.S.–Colombia Free Trade Agreement," October 4, 2006, p. 18, at *www.aflcio.org/issues/jobseconomy/globaleconomy/upload/colombia_LAC_report.pdf* (April 5, 2008).
45. Author's notes, meeting with U.S. agricultural attaché, U.S. Embassy, Bogota, Colombia, December 2007.

imports. The urban poor would also benefit from cheaper food.

In fact, the whole Colombian economy would benefit because the currently underutilized large landholdings would become attractive investment targets for more efficient, better-funded U.S. agribusinesses, which would bring in advanced technology and better equipment, creating good, sustainable new private-sector jobs in the process.

Some of the large landowners have supported paramilitaries, and some are drug lords. Few Colombians would shed any tears if the FTA caused these owners some economic dislocation. Of course, this would leave the large landowners who have sponsored and funded the paramilitaries with less money to do so in the future. Their potential reversal of fortune would further weaken that source of conflict.



Source: Hugo López Castaño and Jairo Núñez Méndez, *Pobreza y desigualdad en Colombia, Diagnóstico y estrategias*, Colombian Department of National Planning, 2007, at *http://www.dnp.gov.co/PortalWeb/Portals/0/archivos/documentos/DDS/Pobreza/En_Que_Vamos/ESTRATEGIA%20libro%20def.pdf* (April 22, 2008).

The FTA Is Crucial to Both Colombia and the U.S.

President Uribe already has made impressive strides against poverty in Colombia, as shown in Chart 6, which shows that poverty, as measured both by the Gini Coefficient and by a unique formula devised by an international study team (Mision para el diseno de una Estrategia para la Reduccion de la Pobreza y la Desigualdad—MERPD) that was funded by the United Nations Development Program, USAID, and other international development assistance agencies, has decreased substantially while President Uribe has been in power. The increased trade, investment, and job creation from the U.S.–Colombia FTA would only accelerate this laudable trend.

The FTA will spur additional economic development in Colombia and, just as important, will push the Colombian government to build up and strengthen government institutions and judicial and economic regulation to ensure that continued economic progress will not depend on any particular political personalities. Susan Segal, president of the Council of the Americas, notes:

> The U.S.–Colombia Trade Promotion Agreement is our single most effective tool to help bring economic and political security to Colombia. Without this agreement and the investment security it provides, hundreds of thousands of Colombian jobs are in jeopardy of being lost. Each job opens an opportunity for a Colombian worker to enter the formal sector and to build individual economic prosperity—the alternative to narcotrafficking and the direct threat that poses to U.S. national security. Increased foreign investment and export market guarantees would further help to create the right economic conditions.[46]

If Congress were to reject such an agreement, it would be inflicting real pain on Colombian workers and the Colombian economy. As the Cato Institute recently reported:

> A recent study by the University of Antioquia shows that not approving the TPA would decrease investment by 4.5 percent in Colombia. Furthermore, it would increase unemployment by 1.8 percentage points, representing a net loss of 460,000 jobs. GDP would go down 4.5 percent, and the poverty level would rise by 1.4 points.[47]

46. Susan Segal, "Helping a Friend," Americas Society and Council of the Americas, February 6, 2008, at *www.as-coa.org/article.php?id=892* (April 7, 2008).

More U.S. Exports to Colombia. U.S. Under Secretary of Commerce Chris Padilla recounts that:

> Ninety-two percent of imports from Colombia currently enter the United States completely duty free. It has been that way for 16 years, since Congress first passed the Andean Trade Preferences Act that gave Colombia access to our market as a way to reduce poverty and fight the drug trade.[48]

The FTA would then simply level the playing field and give U.S. exporters access to the Colombian market of 44 million consumers. Padilla describes the current situation:

- [A] can of Colombian coffee comes into the United States duty-free. But [a] bottle of Pepsi, made in the USA, pays a stiff 20% tax when sold in Colombia.
- [B]eautiful Colombian flowers—a major Colombian export—come into our market and pay zero tariffs. But…U.S.-made fertilizer, which helps those flowers grow, is charged up to 15% when exported to Colombia.
- [A] bag of carrots comes into the United States—and onto your dinner table—without paying any U.S. tariffs. But [a] tractor, made by Caterpillar in East Peoria, Illinois, faces a 10 percent duty when sold to a Colombian carrot farmer.
- [A] Pennsylvania apple pays a 15 percent tariff when sold in Colombia. Meanwhile, [a] Colombian banana enters the United States duty-free.[49]

Padilla summarizes that:

> Colombian exporters pay tariffs on only 8% of the goods they send to the U.S. Meanwhile, U.S. exporters currently pay tariffs—some as high as 35%—on 97% of the products we sell Colombia….
>
> The U.S. exports more to Colombia than Russia, even though Russia has a population that is three times larger and an economy seven times that of Colombia.[50]

Demonstrating bipartisan support for the FTA, former White House Chiefs of Staff Ken Duberstein (Reagan Administration) and Mack McLarty (Clinton Administration), recently wrote in *The Wall Street Journal*:

> [Under the FTA] U.S. exports to Colombia, from cars to chemicals to consumer products, would grow by an estimated $1 billion per year—a direct benefit to U.S. workers and their families. From Colombia's perspective, the FTA would add a welcome dimension of certainty to our trading relationship, encouraging investors to commit to Colombia and help create jobs there, too.[51]

As U.S. Secretary of Commerce Carlos Gutierrez reported earlier this year:

> In 2007, trade contributed over half a percentage point to total GDP growth—the largest contribution in 16 years. We need to keep up the momentum. Trade agreements are critical to lowering barriers to American exports and creating better-paying American jobs.[52]

47. Griswold and Hidalgo, "A U.S.–Colombia Free Trade Agreement." See also Jesus A. Botero *et al.*, "El TLC con Estados Unidos: Efectos de su aprobación y costos de no aprobarlo," Universidad de Antioquia, June 4, 2007, pp. 78–80.
48. Christopher A. Padilla, Under Secretary for International Trade, U.S. Department of Commerce "Outlook on the Americas 2008," remarks at Association of American Chambers of Commerce in Latin America, Coral Gables, Florida, January 24, 2008, at *www.ita.doc.gov/press/speeches/padilla_012408.asp* (April 14, 2008).
49. *Ibid.* (original bullets).
50. Op-ed, Kenneth Duberstein and Thomas F. McLarty III, "Our Free-Trade Consensus," *The Wall Street Journal*, April 4, 2008, at *online.wsj.com/article/SB120726799496088227.html* (April 6, 2008).
51. *Ibid.*
52. Press release, "Commerce Secretary Gutierrez Statement on Fourth Quarter GDP," U.S. Department of Commerce, January 30, 2008, at *www.commerce.gov/NewsRoom/PressReleases_FactSheets/PROD01_005117* (April 14, 2008).

With specific regard to the effect of the housing/subprime mortgage crisis on the U.S. economy, Secretary Gutierrez said that during the second quarter of 2007, U.S. GDP growth of 1.4 percentage points from trade offset a 1.2 percentage point decline in GDP caused by the housing crisis.[53]

Partisan Politics and U.S. National Security. During the presidential primary season, Democrats in the congressional leadership have made one excuse after another to explain their delay and intransigence in acting on the FTA.

The AFL–CIO says that Colombia will just have to wait "until 2009" for a "new" FTA to be negotiated and signed.[54] Big Labor clearly hopes that a Democratic President will take office next year. Practically speaking, a new FTA could not be ready for implementation before 2010. Meanwhile, every day, Colombia will face oil-funded, multipronged assaults and challenges from Hugo Chávez and his *Chavista* followers in Colombia and neighboring Ecuador and Bolivia. The AFL–CIO wants President Uribe to cool his heels until the end of his term in 2010, but neither Colombia nor the United States can wait to address these problems.

Congress Keeps Raising the Bar. On April 4, 2008, six Bush Cabinet secretaries sent Speaker of the House Nancy Pelosi (D–CA) a letter reminding her of the May 10, 2007, agreement between the White House and the congressional leadership. According to one account:

> The letter opens with a reminder that Pelosi stood with [Treasury Secretary Henry M.] Paulson and U.S. Trade Representative Susan C. Schwab last May "to announce an agreement to restore a bipartisan consensus on trade," and sets out a detailed case for how the Bush Administration has done to [sic] more than enough to hold up its end of the bargain. "Over the past year, we have continued and intensified our efforts to work directly with you and other Members of Congress to identify a path forward for the United State[s]–Colombia Trade Promotion Agreement," the officials wrote. "In addition to the private conversations you have had with several members of the President's cabinet, the Administration has made broad and comprehensive efforts to reach an agreement with House and Senate leadership on a package to consider and approve the Colombia free trade agreement."[55]

Notwithstanding the May 10 agreement, and even though the Administration agreed to reopen the trade agreements, add onerous and vague new provisions to the labor and environment chapters, and weaken intellectual property rights protection for U.S. companies, the congressional leadership has since said consistently that it wants more from Colombia, but without specifying exactly how much or by when. The congressional leadership appears to have reneged on the May 10 agreement and to have been playing politics with the Colombia FTA, the most important of the three Latin American agreements.[56]

The timing of the opposition suggests that Big Labor is putting partisan politics ahead of national security. The left's real agenda could be simply protectionism or a desire to deny a "legacy" victory to President Bush and the center-right government of Colombia. Either way, inflicting this kind of economic punishment on a U.S. ally in the Andean region is not in America's interests. Left-wing populism is fueled by poverty and lack of opportunities, as seen in Venezuela, Ecuador, and Bolivia. To counter this possibility in Colombia, the development of strong democratic institutions

53. Press release, "Commerce Secretary Gutierrez Statement on Final Third Quarter GDP," U.S. Department of Commerce, December 20, 2007, at *www.commerce.gov/NewsRoom/PressReleases_FactSheets/PROD01_004962* (April 14, 2008).
54. Bronstein, "Colombia Trade Deal Dead This Year."
55. Condoleezza Rice, Henry M. Paulson, Jr., Edward T. Schafer, Carlos M. Gutierrez, Elaine L. Chao, and Susan C. Schwab, open letter on the pending Colombia Free Trade Agreement to U.S. Speaker of the House Nancy Pelosi, April 4, 2008, as cited in Victoria McGrange, "Bush Cabinet to Pelosi: Colombia Pact Is Coming," The Crypt's Blog, *Politico*, April 5, 2008, at *www.politico.com/blogs/thecrypt/0408/Bush_cabinet_to_Pelosi_Colombia_pact_is_coming.html* (April 7, 2008).
56. The FTAs with Peru, Colombia, and Panama.

must be accompanied by continued economic development and growth.[57]

If Congress votes down the Colombia FTA, it will deliver a major psychological victory to Hugo Chávez, the FARC, and the narcotraffickers that the U.S. has battled for decades in Colombia. It will also seriously jeopardize the progress and momentum made by the Plan Colombia war on drugs on which the U.S. has spent hundreds of millions of dollars since the Clinton Administration.

A defeated FTA might also force Colombia reluctantly into closer ties with a very eager and suddenly conciliatory Hugo Chávez. Venezuela is already Colombia's second-largest export market after the U.S., and Colombia cannot afford to ignore it. Chávez's dangling of petroleum carrots will not be ignored by the Colombians. If Colombia is spurned by the U.S., it will continue to seek trade agreements with many other countries (e.g., Canada and Mexico) and trading blocs, such as the European Union, the European Free Trade Association (EFTA), and MERCOSUR (Southern Common Market). This would only further isolate the U.S.

"Yes" to the Peru FTA; Why Not "Yes" to the Colombia FTA? The economies of Peru and Colombia are very similar, yet Congress passed the Peru FTA but holds up the Colombia FTA. Both are Andean countries with significant mineral and other natural resources and a history of chronic poverty and income inequality, especially among their indigenous populations.

Famed Peruvian economist Hernando de Soto has argued that the same rationale that led the U.S. Congress to approve the Peru FTA should be applied to the Colombia FTA. Speaking at The Heritage Foundation, de Soto said that the treaty is "not only about free trade.… We are trying to set up a different model for Latin America. That model is essentially a political one, because we are pro-market."[58]

In fact, Peruvian President Alain Garcia, a reformed leftist-populist, and Colombian President Uribe are both very capably leading their countries toward stronger, market-based democracies that will become members of the globalized community of trading partners. There is virtually no difference between the two countries, and both are friendly to the United States.

Congress approved the Peru FTA because the congressional leadership is friendlier to center-leftist Garcia than to the center-right Uribe. The congressional leadership also wanted to use the Peru agreement to bind the United States to certain International Labor Organization provisions. According to Senator Orrin Hatch (R–UT):

> The Peru FTA requirement to adopt "fundamental labor rights" puts right-to-work, freedom of association and other major U.S. labor provisions at significant risk. Article 17.2 of the Peru FTA requires both Peru and the United States to "adopt and maintain in its statutes and regulations, and practices there under, the following rights as stated in the International Labor Organization ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998) (ILO Declaration)"….
>
> The Peru FTA does not provide any definition of these fundamental rights, leaving the interpretation…to a dispute settlement panel appointed by the U.S. and Peruvian Governments.
>
> Given the agreement's reference to the ILO declaration, it is widely expected that such a dispute settlement panel would in fact look at and rely at least partially on the standards of the relevant ILO core conventions associated with these rights.[59]

With their ILO concerns satisfied by approval of the Peru agreement, the congressional leadership apparently feels justified in refusing to consider essentially the same deal with a nearly identical

57. Griswold and Hidalgo, "A U.S.–Colombia Free Trade Agreement."
58. Hernando de Soto, "Is Economic Freedom for Everyone?" Heritage Foundation *Lecture* No. 977, November 17, 2006, at *www.heritage.org/Research/WorldwideFreedom/hl977.cfm.*
59. *Congressional Record*, December 4, 2007, pp. S14722– S14723 (missing quotation mark added).

country next door. This schizophrenic approach is unjustifiable and unwise.

President Bush recently warned that failing to approve the Colombia FTA, especially given that Congress approved a nearly identical agreement with Peru, would be an "insult to a friend." The President quoted Canada's Prime Minister Stephen Harper to the effect that "the biggest fear in South America is not the leader in Venezuela, but the biggest fear for stability is if the United States Congress rejects the free trade agreement with Colombia."[60]

Interestingly, Eric Farnsworth of the Council of the Americas has reported that, thanks to Peru's FTA with the United States, its sovereign debt has recently been upgraded to investment grade.[61] This will make it easier and less expensive for Peru to borrow and invest to upgrade its infrastructure. Foreign direct investment in Peru also rose with the FTA. The same positive developments can be expected from the Colombia FTA.

A Long-standing, Good Friend of the United States. The U.S.–Colombia FTA is much more than a simple trade agreement. It would seal a strong partnership between two long-time friends. For example, more than 50 years ago, Colombia was the only South American country that sent troops to assist in the Korean War. Colombia is also the oldest continuously functioning democracy in South America.

"Yes" to One-Way Trade; Why Not "Yes" to Two-Way Trade? Congress recently voted overwhelmingly to renew the Andean Trade Preference legislation that grants most Colombian products one-way access to the U.S. market. Thus, by refusing to approve the Colombia FTA, Congress is punishing American workers and businesses, not Colombia, for Colombia's tragic history of violence. American workers can only gain new job opportunities through the increased U.S. exports to Colombia (about $1 billon per year) that can be realized only if the FTA's two-way trade regime is approved by Congress.

If a majority of Members of Congress vote against the Colombia FTA (or refuse to vote on it), they will effectively be voting for Hugo Chávez. Venezuela's dictator-president and would-be Emperor Simón Bolívar II covets becoming the ruler of a reconstituted Gran Colombia. Consequently, Chávez is even more eager to see Congress reject the Colombia FTA than he was to see Costa Rica reject the United States–Dominican Republic–Central American Free Trade Agreement (DR–CAFTA) during the summer of 2007, when he funded leftist opposition in an unsuccessful attempt to block its ratification there.[62] A defeat in either case would place major obstacles in the path of the United States.

A defeated FTA would be a tremendous loss of face for President Uribe and the entire Colombian nation. As with many smaller countries, Colombian and American perceptions of each other differ. Colombians imagine the U.S. cares about their country much more than it actually does. They see the giant to the north preoccupied with whether or not to pass the Colombia FTA. On the other hand, Americans worry a lot less about the future of Colombia and the Andean region than they should.

When asked recently about Congress's possible failure to pass the Colombia FTA this year, President Uribe said that it would "be a serious setback" in an interview with *The Wall Street Journal*. "I wouldn't know what to say. It would be very serious."[63]

A failed FTA will lead Colombia and other Latin American countries to conclude that the U.S. is not a reliable partner. It will also fuel a return to narcotrafficking and other illicit activity by the urban and rural poor, who would not benefit from the many jobs that would be created by the legitimate alternative economic development that would be created by the Colombia FTA.

60. George W. Bush, press conference, December 4, 2007, at *www.whitehouse.gov/news/releases/2007/12/20071204-4.html* (April 14, 2008).
61. Eric Farnsworth, "Branding a Nation," *Poder*, April 2008.
62. James M. Roberts and Daniella Markheim, "Costa Rica and CAFTA: Chavista Rhetoric Threatens Trade Deal's Benefits," Heritage Foundation *WebMemo* No. 1656, October 4, 2007, at *www.heritage.org/Research/TradeandForeignAid/wm1656.cfm.*
63. Córdoba, "Colombia's Uribe Says Passage of Free-Trade Pact Is Critical."

What the U.S. Should Do

Congress should promptly reverse itself and approve the U.S.–Colombia Free Trade Agreement so that it can come into force quickly.

The Bush Administration should continue to give high priority to passing and implementing the Colombia FTA. After the FTA is ratified, the Bush Administration and U.S. businesses can begin a new chapter in U.S. economic engagement with Colombia and the region.

Conclusion

In fighting against congressional approval of the FTA, far-left U.S. groups are hurting the very people they claim to be protecting—workers and their families in both the United States and Colombia. A defeated U.S.–Colombia trade agreement would be a tremendous loss of face for President Uribe and the entire Colombian nation and a devastating blow to U.S. prestige and influence in the entire Andean region. Hugo Chávez and his "blood brother," Iranian President Mahmoud Ahmadinejad, would love to see the FTA defeated.[64]

Colombians deserve the support of all Americans, and Congress should promptly reverse itself and approve the U.S.–Colombia FTA to seal the alliance with this great ally and friend of the United States. Regrettably, the congressional leadership forced a vote along party lines on April 10, 2008, that will indefinitely delay consideration of the pending U.S.–Colombia FTA. With this vote, Congress reneged on its commitment to give trade agreements negotiated by the executive branch prior to June 30, 2007, a straight up-or-down vote within 90 days of submission by the President.

If Congress listens to the AFL–CIO and votes down the U.S.–Colombia FTA, it will have delivered a potential knockout blow to President Uribe, the United States' best friend in the region. A failed FTA will lead Colombians and people from other countries in Latin America to conclude that the U.S. is not a reliable partner. In effect, it would be a no-confidence vote against the Colombian people and a public relations bonanza for President Chávez and the FARC narcoterrorists, which he is using to undermine the Uribe government. A defeated FTA would also put at risk the considerable progress made by Plan Colombia since 1999.

American exporters would also lose, and significantly. Colombia currently has one-way duty-free access to the U.S. market, but defeat of the FTA would deny U.S. businesses the same two-way access to the Colombian market.

Ultimately, Congress would serve neither U.S. nor Colombian interests by defeating the Colombia FTA. Everyone would lose, especially the Colombian people. Duberstein and McLarty put it best:

> [A]s the many Colombian unions that support the trade agreement know, rejecting the agreement will not save a single life—whereas passing it will be a powerful vote of confidence in the democracy Colombians have struggled so hard to protect.[65]

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64. For more on Hugo Chávez, see Roberts, "If the Real Simón Bolívar Met Hugo Chávez, He'd See Red."

65. Duberstein and McLarty, "Our Free-Trade Consensus."