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In U.S., Latino Discord Over Trade Accord

Many oppose the Central American pact, saying it would spur job losses here and exploitation abroad.

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An emotional battle is brewing in the Latino community over whether a proposed free trade agreement with five Central American nations and the Dominican Republic will bring greater prosperity or despair to the immigrants who have settled in the U.S. and the relatives they've left behind.

The Central American Free Trade Agreement would drastically lower tariffs on U.S. farm products, consumer goods and services sold in that region and make it easier for those countries to export their products, including sugar and apparel, to the United States.

The accord, commonly called **CAFTA**, still must be ratified by Congress and the governments of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.

The pact, U.S. business leaders said, might boost California exports by 17% and create more than 1,300 new jobs in the state within the first year of its implementation.

Yet many prominent Latino organizations — including the League of United Latin American Citizens; the Salvadoran American National Network, and the Central American Resource Center — oppose CAFTA. They have argued that it would hasten the outsourcing of U.S. jobs and encourage the exploitation of poor Central American workers and the environment.

The tensions over CAFTA are reminiscent of the impassioned debate that divided the Mexican American community a decade ago when the Clinton administration pushed through the controversial North American Free Trade Agreement with Mexico and Canada.

Those divisions were on full display last week when CAFTA supporters held a conference for Latino business leaders in Los Angeles featuring El Salvador's president, Tony Saca, and the ambassadors of El Salvador and Nicaragua.

While Saca accused CAFTA's critics of turning a job-creating trade pact into a "political piñata," Rep. Xavier Becerra, (D-Los Angeles), told the crowd that he "**believed in a CAFTA but not this CAFTA**" because the legal protections for workers were not as strong as those for products and intellectual property.

"I learned from NAFTA that good intentions are no substitute for enforceability of rules," said Becerra, a lawyer who supported NAFTA's passage in 1994.

Latino business leaders such as Mauricio Fux, senior vice president at Los Angeles-based La Curacao, defended the trade pact. They said it would help the struggling economies of Central America compete against fierce competition from China and reduce shipping costs and other barriers that have prevented Latino entrepreneurs from exploiting opportunities back home.

"By lowering the duty rates on both sides, it will give us more confidence in investing in those regions," said Fux, whose company operates several large department stores in Southern California, exports goods throughout Latin America and owns the U.S. franchise for the popular Guatemalan restaurant Pollo Campero.

The split in the Latino community further complicates the prospects for CAFTA, which has been signed by President Bush but is opposed by Democratic challenger Sen. John F. Kerry and labor groups. Kerry has said he would not approve CAFTA unless it was revised to include stronger protections for workers and the environment.

Similar concerns have emerged about the proposed Free Trade Area of the Americas, or FTAA, which would create a free-trade area from Alaska to the tip of South America.

Supporters and opponents of the proposed trade pacts are courting the Latino community, whose exploding numbers have made it a potential swing vote in the upcoming presidential election. The National Council of La Raza, a leading Latino organization, supports the FTAA but has not taken a position on CAFTA.

The Congressional Hispanic Caucus hasn't taken an official position on CAFTA because its 20 Democratic members have been unable to reach a consensus. Reps. Hilda L. Solis (D-El Monte) and Raul M. Grijalva, (D-Ariz.), have joined Becerra in opposing the agreement, and no caucus member has publicly supported the measure, according to Maria Meier, executive director of the caucus.

Given the political sensitivities, no one expects CAFTA to be brought to Congress before the November election. Supporters are desperate to have the measure passed before year-end. That's when the United States and other nations have agreed to phase out a complex system of quotas that have restricted trade in textiles and apparel.

Without the benefits of CAFTA, Central American leaders have argued that they would lose millions of textile and apparel jobs because they wouldn't be able to compete with China's low-cost factories. Textile and apparel jobs are a leading hard-currency earner in the region.

Under the rules of the World Trade Organization, which oversees global trade, any preferential trade deals that exist before Jan. 1 will be allowed to continue.

CAFTA would allow Central American countries to export apparel to the U.S. duty-free, as long as it was produced from fabrics or fibers made in the region or the United States.

Getting Central Americans, many of whom are first-generation immigrants with limited English-language proficiency and political skills, mobilized around a trade pact won't be easy, according to political analysts and community leaders.

Immigrants from these countries maintain strong ties to their families, as evidenced by the billions of dollars they send home every year.

But many of them fled to America because of political oppression, corruption and economic chaos and are skeptical of the governments they left behind, said Lou DiSipio, a political science professor at UC Irvine. That makes them wary of political causes being promoted by the governments of their native lands.

Similar concerns played into the divide within the Latino community over NAFTA, according to DiSipio.

"There is a perception that Mexican Americans played a key role in the coalition that got NAFTA passed," he said. "But it really took last-minute bargaining by the Clinton administration to bring in some of the Mexican American members of Congress who initially opposed NAFTA, in part because of their connections to trade unions and in part because a legacy of distrust of the Mexican government."

A decade later, Latinos are still divided over NAFTA. Trade between the United States and Mexico has soared dramatically, creating new opportunities for Mexican exporters and Mexican American entrepreneurs, particularly those along the border.

The opening of the borders also accelerated the shift of low-wage, labor-intensive work from the United States to Mexico. Critics pointed out that a disproportionate number of Latinos in the United States had lost their jobs because they were concentrated in hard-hit industries such as textiles and electronics.

Nearly half the workers certified by the Labor Department to receive federal assistance after losing their jobs to NAFTA in 1999 were Latino, according to Public Citizen, a citizen's advocacy group.

"The way trade agreements are designed, you're not just looking at creating jobs for the long term but to get a quick profit," said Angela Sanbrano, executive director of the Central American Resource Center, who supported NAFTA but, after seeing its effects, is now a vocal opponent of the Central American deal. She said many of the Latino immigrants seeking help from her organization were victims of trade displacement.

A few blocks away from the center's central Los Angeles' headquarters, a man named Mario sat recently with a few dozen others inside a fenced-off area near a large Home Depot store. Some played cards or read newspapers, and others were lined up for a lunch of instant noodles and

coffee.

The center manages this day-labor site, where prospective workers offer their services to store customers for about \$100 a day. Most of the men that gather here each morning are from Guatemala. The work is hard physical labor and the hours unpredictable.

In a good week, Mario will pick up three jobs.

The 35-year-old Guatemalan immigrant, who asked that his last name not be used, said he used to work for a Mexican company in Guatemala City that paid him \$200 a month to deliver bread, enough to barely cover his family's living expenses. Three years ago, he left his wife and child and came to the United States in hopes of finding a better-paying job.

Mario said he didn't think a free-trade agreement would be a boon for him or his family back home. He said Guatemalan companies exported their best products and sold the rejects to local people, at inflated prices.

"I see our resources being taken out of our country," he said.

Gabriel, who was sitting nearby, nodded his head vigorously. He and his wife came the United States from Mexico several years ago seeking better-paying jobs. He left a job as a cook in a Cancun restaurant, where he was paid about \$2 an hour. Now, he works as a day laborer and his wife has a job as a cook in a small restaurant.

Gabriel, who entered the country illegally and asked that his last name not be used, said the real beneficiaries of NAFTA were large Mexican and U.S. companies.

"If it were true that NAFTA was good for Mexico, we wouldn't be here," said the young man, who left his daughter with her grandmother in Cancun. **"It just created more for those who already have more."**