

Carlos Guerra

If you liked NAFTA's impact, you're going to love CAFTA

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When the North American Free Trade Agreement took effect 10 years ago, we were told that U.S. companies would produce more goods cheaper because of Mexico's lower wages, and prosperity would be created here, there and in Canada.

Mexicans would buy more U.S. goods because they would have more, higher-wage jobs, and this would also stem migration.

Not everybody bought into it, like the late U.S. Rep. Henry B. Gonzalez, who called NAFTA "a scabrous, malodorous concoction repugnant to the best interests of the greatest number of people of all three of the countries involved."

We now know that while NAFTA did trigger major economic growth in all three nations — and especially along the U.S.-Mexico border — 800,000 U.S. manufacturing jobs are gone, 50,270 in Texas alone, and pollution along the border has worsened. Mexican manufacturing wages have dropped by almost a fourth and, overall, real wages are lower.

During the NAFTA decade, Mexico's currency suffered a devastating devaluation and its agricultural sector all but collapsed, pushing 1.3 million farmers off the land and into the cities and the maquiladoras. But for many, these were transitory stops on the way to the United States, where undocumented immigration has doubled during this period despite a geometric increase of resources and personnel for border enforcement.

And instead of fixing NAFTA's flaws, the White House is now quietly pushing through Congress the Central American Free Trade Agreement (CAFTA), to expand NAFTA into Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic and limit its meager protections.

"We're fighting a trade agreement where only corporate rights are taken into consideration and labor and environmental protections are left out," says Lesley Ramsey of Texas Fair Trade Coalition. "CAFTA does not meet any of the standards for a fair trade agreement, as we see it."

They aren't the only opponents.

"NAFTA brought tremendous growth to Mexico, but to whom has it brought benefits?" asks Oscar Chac*n, president of the Salvadoran-American National Network, a collection of Salvadoran groups in the United States.

"For the average Mexican, particularly agricultural workers, NAFTA has been absolutely

negative," he says. "Fewer and fewer people actually benefit because the wealth is not distributed equitably.

"CAFTA is a step backwards from NAFTA," he adds. "The degree to which labor and other side agreements are even contemplated is lighter, weaker. NAFTA has shown that growth alone won't bring Central America prosperity.

"The governments of Central America should have negotiated an agreement not just about trade but also migration," he says, "but it was not even addressed."

The outflow of Central Americans — documented or otherwise — is already considerable, he says, and it is also reaping big benefits for the immigrants' home nations.

"For El Salvador, family remittances topped \$2 billion in 2002, the largest share of the country's gross domestic product," he says. "The largest export product from Central America is people, and it's a very profitable export commodity because every one of them will send home, for the next five to 10 years, between \$4,500 and \$6,500 each year.

"Based on our experience, we are convinced that with CAFTA, it will not only persist but worsen."

Stay tuned. It gets worse.

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