

Look At Free Trade's Real Impact On Florida

By ERIC RUBIN Special to The Tampa Tribune

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Your pro-free-trade editorial of July 19 ("Free Trade Benefits All of Florida") raised the profile of a crucial issue facing Floridians - and indeed, all Americans. Unfortunately, it only scratched the surface.

The Central American Free Trade Agreement, which your editorial praised, is far from the economic panacea that its advocates assert. Indeed, it has many potentially negative implications for both our state and our nation.

The Panama-U.S. trade talks, which begin next week here in Tampa, could exacerbate this situation.

Problems with free trade agreements arise primarily because the proposed deals are with countries whose economies, political and social structures are dramatically different from those of the United States. The governments of Costa Rica, Honduras, El Salvador, Nicaragua and Guatemala joined the United States in signing CAFTA this spring. The Dominican Republic was added to this group on Aug. 5. The next step is to bring it before Congress, which must accept the agreement as is for a yes or no vote before it can become effective.

Agricultural Economies

What your editorial neglected to mention is that all these Central American countries are roughly equivalent to metropolitan Tampa or Miami in combined economic output.

Their products are certainly not high-technology goods. Their economies are rooted in agriculture. Indeed, 44 percent of Nicaraguan workers and 60 percent of Guatemalan workers are dependent on agriculture for their livelihoods.

One has only to look at the North American Free Trade Agreement's impacts on Mexican farmers to see what CAFTA has in store for farmers in Latin America: Two and a half million Mexican farmers and their families have been driven out of their local markets and off their land. Everyday staples, including food, have become even more expensive for most Mexicans - half of whom live in poverty. Today the Mexican minimum wage buys less than half the essentials it bought in 1994, prior to NAFTA.

Because of the relatively small size of their economies, the countries of Central America will hardly be in a position to buy a great deal of American manufactured products. However, with the elimination of tariffs and quotas that comes with CAFTA, a few large transnational corporations will certainly be in a position to flood the American market with Central American agricultural products, devastating both U.S. and Latin American farmers. If Floridians learned anything from NAFTA, it's that it had a devastating effect on some of our agricultural sectors.

Limited Benefits

Your editorial also made too much of the prospect that Miami might become the headquarters of a broader free trade region for all the Americas. That might be good for the bankers of Miami, but it does nothing for the workers who are seeing their jobs outsourced to foreign countries. And therein is the fallacy of your cheerleading for free trade in general and CAFTA in particular. Yes, some select few would be helped. But many more would be hurt.

The Greater Tampa Chamber of Commerce has hailed Tampa's selection to host the next round of trade talks with Panama as ``a clear indication that others recognize this area as a competitive international player and a business gateway to Latin America." Of course, these negotiations are closed to the public, as all trade negotiations are. It's this lack of transparency that is one of my greatest concerns in the process. Those who will ultimately be displaced don't have a voice in deciding their fate.

CAFTA and the basic notion of free trade may sound appealing, but if it is approved and the goods start to flow, I believe we will see much more harm than good. CAFTA should be rejected when it comes before Congress for a vote and other free trade deals should be very seriously scrutinized.

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