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“Do We Hafta?”

This summer I'm wearing a special cap that reads, “NAFTA, CAFTA, Do We Hafta?” The slogan comes from the Rural Coalition (www.ruralco.org) an alliance of small community groups throughout the United States working to build a more just and sustainable food system. For over ten years, family farmers have felt the negative effects of the North American Free Trade Agreement (NAFTA), and they are warning the proposed Central American Free Trade Agreement (CAFTA) is even worse. To the Rural Coalition most free trade issues in agriculture pit the power of corporations against the needs of farmers, and CAFTA's provisions for corporations and agribusiness look like NAFTA on steroids.

CAFTA is designed to remove trade barriers between the U.S. and Guatemala, El Salvador, Honduras, Costa Rica, Nicaragua and the Dominican Republic. These Central American countries will drop tariffs on U.S. manufactured goods, while the U.S. promises increased access to their textiles and agricultural products. What sounds like a win-win situation pales significantly when viewed from the historic NAFTA experience and the unequal exercise of economic power.

Agribusiness accounts for 7.2% of U.S. farms, but gets 72.1% of the market value of products

sold. It receives roughly two-thirds of the \$17 billion annual agricultural subsidy, while small farm income on average has fallen since NAFTA.

Before NAFTA, Mexico imported 17% of its rice and 12% of its wheat, but because of world prices lowered by U.S. subsidies, it now imports 53% of its rice and 35% of its wheat. As a result, half of Mexico's small farmers lost their livelihood in agriculture. In the U.S., minority and small farms suffered decline because they could not compete with the world prices created by dumping the way agribusiness could.

In terms of manufacturing, CAFTA expands the rights of global corporations secured by NAFTA to challenge environmental, labor, health and other regulations nations and states may choose to impose for the protection of their people. Under NAFTA, a U.S. corporation cannot file a case with NAFTA tribunals against our own national, state or local laws. Under CAFTA, a foreign subsidiary of a U.S. corporation can. Conceivably, Phillip Morris could get a Central American subsidiary to challenge U.S. tobacco laws through a CAFTA tribunal.

Other manufacturing stipulations of CAFTA pave the way for accelerated privatization and neutralizing of social concerns. CAFTA partners must open competition to private firms for public services like education, energy and health

The Catholic Conference of KY (CCK) is an agency of the Catholic Bishops, established in 1983. It speaks for the Church in matters of public policy, serves as liaison to government and the legislature, and coordinates communications and activities between the church and secular agencies. There are 388,000 Catholics in the Commonwealth. The Bishops of the four dioceses of KY constitute CCK's Board of Directors.

care. Purchasing policies of CAFTA partners ban preferences for Made-in-USA products, recycled content, living wage agreements, or any other social or environmental safeguards. In reality, NAFTA and CAFTA subordinate democratic political power to economic and market imperatives.

Yet, this narrow market ideology begs the criticism of John Paul II: "If globalization is ruled merely by laws of the market applied to suit the powerful, the consequences cannot but be negative" (Ecclesia in America, 20). Catholic social thought views international trade as a vehicle for development that must first address the needs of those living in poverty. Without enforceable labor laws

and a respect for creation, trade agreements will fail the test as authentic development. Bishop Alvaro Ramazzini Imeri of Guatemala testified about CAFTA: "Trade is not a panacea...trade policies need to be complemented by institutional reforms and a broader development framework that affords each person their right to participate in a market that is fair and compassionate."

Until these regional trade agreements respect local food production, care of creation and the rights of labor, I'll continue to wear my cap and remind people to ask, "NAFTA, CAFTA, Do We Hafta?"

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