

Central American trade agreement draws skepticism

By Joe Napsha
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The proposed Central American Free Trade Agreement will send more American jobs offshore, but provide little benefit to workers in the poor countries it's intended to help, one of the pact's opponents said Friday.

"It's a lose-lose situation. We've seen this movie before and it's called NAFTA (North American Free Trade Agreement). They're trying to sell us the same thing ... that lost one million jobs," Ernest C. Baynard IV, executive director of the Americans for Fair Trade, said in an interview, Downtown.

The agreement with the Dominican Republic and five Central American countries -- Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua -- would either lower or eliminate trade barriers between the U.S. and those six countries, in much the same way NAFTA did 12 years ago. The U.S. signed the trade accord last year and the Senate passed it two weeks ago. House leaders say they hope to bring up the measure before Congress breaks for its August recess.

"The vote in the House is going to be close. The Pennsylvania delegation could play a key role," Baynard said.

He contended a Central American trade pact will hurt the work force just like its North American counterpart. Pennsylvania lost 38,000 jobs as a result of NAFTA lowering trade barriers with Canada and Mexico, Baynard said, citing statistics from the Economic Policy Institute.

"It's going to cost Pennsylvania more jobs," said Baynard, who heads a Washington, D.C.-based non-profit organization composed of farmers' associations, manufacturers' groups and faith-based coalitions. He held a news conference yesterday that was hosted by the Christian Associates of Southwestern Pennsylvania, a nondenominational organization.

One of trade pact's supporters, the National Association of Manufacturers,

contends the agreement will save an estimated 50,000 U.S. manufacturing jobs from the benefits derived from the pact.

"It's the best trade deal because it's a one-way agreement. Central America has had access to the U.S. (market) for 20 years. We'll pickup \$1 billion in (the sale of) manufacturing goods and save another \$4 billion that we would have lost," said Frank Vargo, the association's executive vice president for international trade.

While U.S. textile manufacturers now send their products -- such as cloth, filling and zippers -- to Central America for assembly, Vargo said that without the trade deal, the work will go to China. Import tariffs on Chinese textiles were removed in January, so China would not use U.S. components, Vargo said.

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